FREIGHT TRAFFIC ISSUE

What can today's traffic managers do to prescribe **transport policy?**

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July 31, 1961

RAILWAY AGE WEEKLY

Alcan tank-hopper highlights...

New Trends in Car Design

When Thomas F. Brennan went to Detroit as our general agent, he returned to his old "stompin' grounds." For not only does his territory include the lower Michigan peninsula and northern Ohio, but also part of the province of Ontario, Canada, where he worked before coming to the K. C. S.

Tom started as a clerk in our St. Louis office in 1925. It wasn't long until he became chief clerk, working as soliciting freight agent and traveling freight agent.

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In 1939 he was appointed general agent at Cincinnati, and he took over at Detroit in 1946.

Everybody knows what Detroit is noted for, and Tom sees to it that we get a goodly share of the automobile traffic. Big cereal plants, electrical appliance manufacturers and paper mills in Michigan contribute to our traffic volume, and the glass industry, headquartered mainly in Toledo, favors us with much of its varied output. Freight handled for our Canadian patrons includes agricultural implements, newsprint, petroleum products, chemicals and synthetic rubber.

We're proud of Tom Brennan and of the job he is doing . . . and we appreciate greatly the opportunity to serve shippers in Michigan, Ohio and the province of Ontario.
—J. W. SCOTT, Vice-President—Traffic, KANSAS CITY 5, MO.

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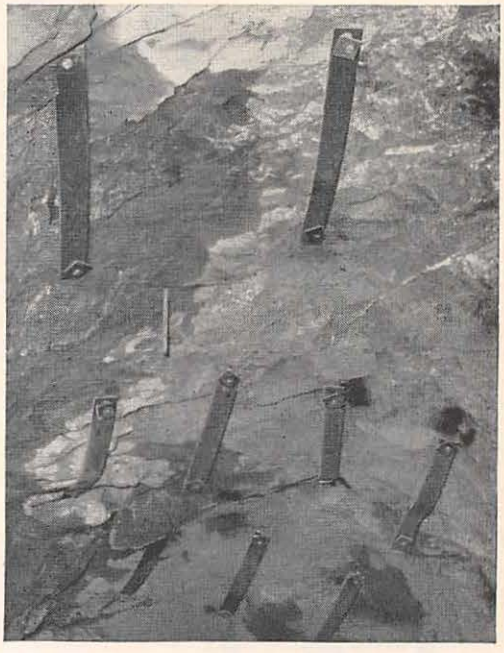

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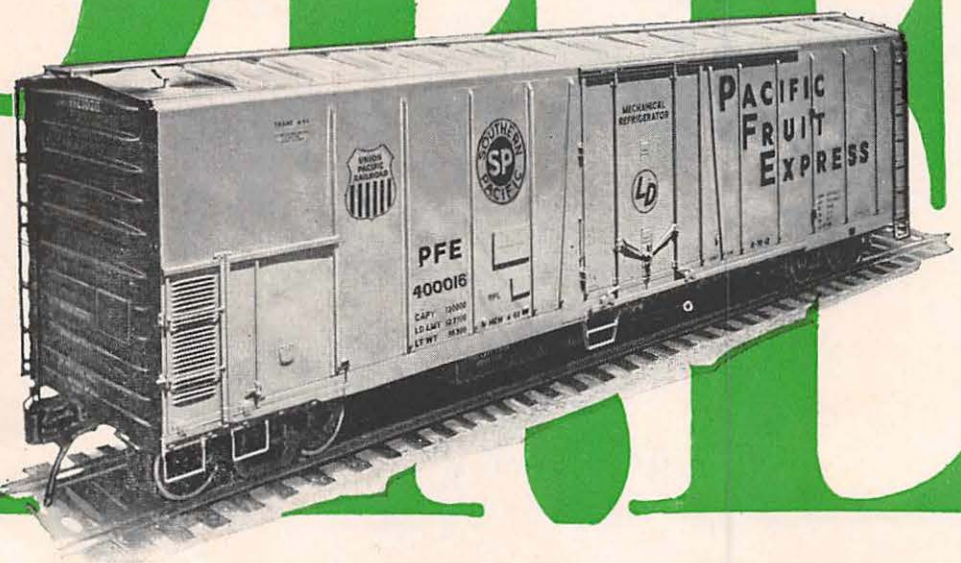

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RAILWAY AGE

WEEK AT A GLANCE

July 31, 1961 • Vol. 151, No. 5

Loomis warns of major peril

In identical letters to Vice President Johnson and House Speaker Rayburn, AAR's president cited evidence indicating a major railroad crisis is at hand ..... **p. 9**

B&M ponders passenger-end request

Puzzled by ICC refusal to approve a government-guaranteed loan, B&M's President P. B. McGinnis told Railway Age he might reapply—along with a bid to end passenger service .. **p.10**

What, now, about Plans III and IV?

Traffic Poll replies indicate that shippers generally support the ICC's approval of TOFC plans III and IV, but want extension of, and changes in, the services offered **p.13**

U.S. transportation — Highballing to a crisis

David I. Mackie tells a story that must be repeated, often and forcefully, if the crisis facing U.S. transportation in general, and railroads in particular, is to be averted **p.19**

San Francisco to get transit proposals

Financial and engineering plans for a new 120-mile, $1-billion-plus rapid transit system for the San Francisco Bay area will be presented to county officials in August **p.34**

New trends in car design bring promises, problems

New, better and bigger freight cars are being designed at a record-breaking rate. Enough of them could mean better service at lower rates—but they present some problems, too **p.40**

WP case: SP supporters heard

Southern Pacific called on its own traffic people, officers of other roads and 'public' witnesses to support its case as Western Pacific control hearings continued **p.44**

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WEEK AT A GLANCE

PRR wins round in LV fight

An ICC examiner, rejecting protests by NYC and E-L, has recommended that PRR be allowed to acquire control of the ailing Lehigh Valley through complete stock ownership .. p.48

The Action Page—Do shippers need the ICC?

Railroad regulation no longer adequately protects buyers of transportation. How long will shippers acquiesce in a situation that hurts them as much as it hurts railroads? p.54

Short and Significant

Automatic retarder classification yards . . .

with a combined cost of $12.5 million will be constructed by the Erie-Lackawanna at Buffalo, N. Y., and by the Alton & Southern at East St. Louis, Ill. (see page 47).

Truckers are opposed to any national transportation census . . .

ATA told a house subcommittee last week. The trucking group said the additional reporting necessary would be "unduly burdensome." Railroads support the census (RA, July 24, p. 44).

First-quarter freight revenues . . .

of 113 water carriers reporting to the ICC totaled $52,072,578—a 21.8% decline from 1960's figure for the corresponding three-month period of $66,582,095.

Under tariffs effective July 21 . . .

the Hermann Forwarding Co. of North Brunswick, N. J. will participate in Plan V piggyback rates with the New York Central.

MoPac will begin daily 100-mile . . .

piggyback mail service between St. Louis and Houston Aug. 1. Houston area mail will be delivered 24 hours earlier with the new coordinated rail-highway service.

Current Statistics

Operating Revenues	
5 mos., 1961	$3,622,223,954
5 mos., 1960	4,065,456,192
Operating expenses	
5 mos., 1961	2,982,789,099
5 mos., 1960	3,196,180,433
Taxes	
5 mos., 1961	392,280,975
5 mos., 1960	450,431,799
Net railway operating income	
5 mos., 1961	86,601,151
5 mos., 1960	273,539,570
Net income estimated	
5 mos., 1961	17,000,000
5 mos., 1960	195,000,000
Carloadings revenue freight	
28 wks., 1961	14,590,052
28 wks., 1960	16,754,383
Freight cars on order	
July 1, 1961	11,821
July 1, 1960	29,555
Freight cars delivered	
6 mos., 1961	18,782
6 mos., 1960	31,402

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Loomis Warns of Major Crisis

► **The Story at a Glance: AAR President Daniel P. Loomis has warned Congress that the New Haven's plunge into bankruptcy is no "isolated, unique problem" but evidence that a railroad crisis "of monumental proportions" is at hand.**

To Capitol Hill last Tuesday went two identical letters signed by the president of the Association of American Railroads. One was addressed to Vice President Lyndon B. Johnson; the other to House Speaker Sam Rayburn.

"In a period of rising world tension, when our transportation capability may be tested any day to the fullest," said Daniel P. Loomis, "I am obliged to tell you that a crisis of monumental proportions involving major segments of the railroad industry is at hand.

"The New Haven Railroad, vital to the economy and defense of one of our most strategic and heavily populated sectors, has been unable to remain solvent under the intolerable burdens placed upon it and has been forced into bankruptcy. Yet this unhappy event is not the result of an isolated, unique problem. It is symptomatic of a continuing deterioration in the position of the entire railroad industry which endangers its services to the public. It urgently demands the attention of the Congress of the United States."

Mr. Loomis then described the financial anemia that afflicts large portions of the industry.

"In the first five months of 1961, a total of 38 out of 107 Class I railroads failed to earn enough to cover fixed charges. Of these 38 railroads, 21 were in the Eastern region. But 9 railroads in the South and 8 in the West also operated in the red, showing how widespread are the worsening problems facing the entire industry.

"While all Class I railroads managed to earn a net income of $17 million out of gross revenues of $3,622 million in the year's first five months," he went on, "operations in the East produced a net income *deficit* of $77 million in contrast to net earnings of $54 million in the corresponding period of 1960."

All of this, Mr. Loomis suggested, shouldn't really be news to Congress.

"Both the cause and the solution of the railroad problem have been made known to Congress," he said. "This cause, as has been pointed out, includes gross inequities when compared with government treatment of competing forms of transportation. The solution was pointed out in a comprehensive program presented by the railroad industry early this year—a Magna Carta for Transportation."

Mr. Loomis tacitly acknowledged that it might now be too late, with Congress pushing for adjournment, to hope for enactment of the entire "Magna Carta" program—though he insisted that such a course offers "the only sound and lasting solution" to the railroad problem.

But, he said, "certain actions which would be of material assistance can be taken by the Congress in a matter of days and certainly before the adjournment of the present session."

Two such actions for which he asked priority: (1) repeal of the excise tax on passenger fares; (2) granting of more realistic depreciation terms for railroad property and equipment.

"It is also imperative," he added, "that Congress *not* enact any measure that would impede railroad efforts to help themselves."

Court Names New Haven Trustees

The federal judge whose court has custody of the bankrupt New Haven last week announced his choice of trustees to administer the railroad during its reorganization under the supervision and direction of the court. The appointments now go to the Interstate Commerce Commission for approval.

Named as trustees by Federal District Judge Robert P. Anderson were William J. Kirk of Newton, Mass.; Richard J. Smith of Southport, Conn.; and Harry W. Dorigan of Plainfield, N. J.

In announcing his choices, Judge Anderson stressed the difficulties the New Haven faces in its fight for survival. One of the first assignments of the trustees, he said, would be to apply to the Interstate Commerce Commission for a $5 million, government-guaranteed loan, to be obtained on trustee certificates.

These funds, Judge Anderson called "a transfusion to keep the transportation plant alive and running while measures are devised to permit the railroad to stand on its own feet. If adequate time is not afforded to solve these difficult problems, or if, in the light of economic circumstances, no way can be found to make income and cost operations meet, the New Haven Railroad will simply have to go out of business."

Appointment of the trustees had been made, Judge Anderson said, with recognition that experts were needed in three areas: financial, operating and legal-political relations. "What is called for," the judge said, "is a well-balanced team composed of individuals with appropriate skills; the technical know-how to operate the New Haven Railroad; the capacity to formulate new and constructive ideas in seeking out a solution of these unprecedented problems."

Mr. Kirk, president of John P. Chase, Inc., a Boston investment firm, has had wide financial experience. He has also been active in public affairs in New England.

Mr. Smith, a long-time New Haven commuter, is senior partner of the New York law firm of Whitman, Ransome & Coulson. He is a former director of the New Haven, serving from April to November, 1955, during the presidency of Frederic C. Dumaine, Jr. Earlier, Mr. Smith had served as counsel to Mr. Dumaine. Mr. Smith has taught railroad and public utility law at Yale Law School.

Mr. Dorigan, who retired as vice president—traffic of the Central Railroad of New Jersey on Nov. 30, 1960, served the New Haven from 1914 to 1950 in a variety of positions in the accounting, operating and executive departments. During NH's previous reorganization, Mr. Dorigan was executive assistant to the trustees.

B&M Ponders Passenger-End Request

On July 19, the Interstate Commerce Commission turned down a request by the Boston & Maine that the Commission guarantee a million-dollar loan to reimburse the railroad treasury for capital expenditures made between 1957 and 1961. "The prospective earning power of said railroad together with the character and value of the security offered" [equity not otherwise pledged in B&M bonds due in 1965], said the Commission, do not "furnish reasonable assurance of said railroad's ability to repay the loan within the time fixed therefor."

Puzzled by the Commission's refusal to grant his railroad its requested loan, after granting earlier loans to the B&M as well as to other roads, B&M President Patrick B. McGinnis is considering returning to the Commission later this year with a new loan application.

This one, he told Railway Age in an exclusive interview last week, might be coupled with a bid to wipe out B&M's remaining passenger service deficit (currently under $5 million annually after having been at $15 million a few years ago) by ending the service.

"What else can we do," Mr. McGinnis asked, "to provide 'reasonable assurance' that we can pay the loan back?" The Boston & Maine, Mr. McGinnis pointed out, is in a consumer goods area. It has not been as adversely affected by economic difficulties as the steel and ore roads. "Our carloadings have been holding relatively better than the other Eastern roads," Mr. McGinnis said; "our efficiency factors: transportation ratio, operating ratio, percent of wages to revenue—we're the best of any of the roads in the East that have applied."

The Boston & Maine made money in March and May, Mr. McGinnis added, and will prove to have made money in June. Discounting the months of January and February (in which the B&M like other roads suffered severely from unusually severe winter weather), Mr. McGinnis said, "I think we'll make money in the rest of the year, except July," when 86 B&M shippers take vacations.

"In every statistical way," Mr. McGinnis said, "we're better than most of the roads that have applied for loan guarantees." If it is the passenger deficit that keeps the Commission from having "reasonable assurance" of the B&M's ability to repay a loan out of earnings, he said, "I'll apply for abandonment."

Among the ways B&M has made progress in reducing its passenger deficits, Mr. McGinnis said, one of the most successful has been its program of selling stations and leasing back necessary facilities. "We have saved a total of $22 million," he said. "Our station accounts have been reduced by $7 million annually since 1956." The Boston & Maine is now commencing the same kind of program with its 189 freight stations, Mr. McGinnis added.

Another successful program, Mr. McGinnis said, has been the concentration of funds for maintenance in the areas where it will bring returns. "We run 1,600 miles of road," Mr. McGinnis said, "and 600 miles of it give us 98% of our traffic." The B&M has virtually ignored the non-productive branches, Mr. McGinnis noted, "but we've spent money on our main line. We're at the end of a five-year program, with one year to go in rail laying. We've concentrated where the traffic is."

WATCHING WASHINGTON WITH WALTER TAFT

Mr. Taft is on vacation. During his absence, this column is being written by other members of the staff.

• **THE 'HOFFA BILL'** to emasculate rate-freedom provisions of the 1958 Transportation Act came under sharp fire from shippers last week. The National Industrial Traffic League made its opposition presentation as the Senate Commerce Committee resumed hearings on S.1197. Spokesman for NITL was William H. Ott, general traffic manager of Kraft Foods and chairman of the league's executive committee.

THE SHIPPING PUBLIC opposes S.1197 because "it believes . . . in a regulatory scheme that is impartial and that does not attempt to preserve one mode of transportation by denying to the public the benefit of an inherent cost-of-service advantage of a competing mode; it believes in a maximum of competitive freedom and responsibility," asserted Mr. Ott.

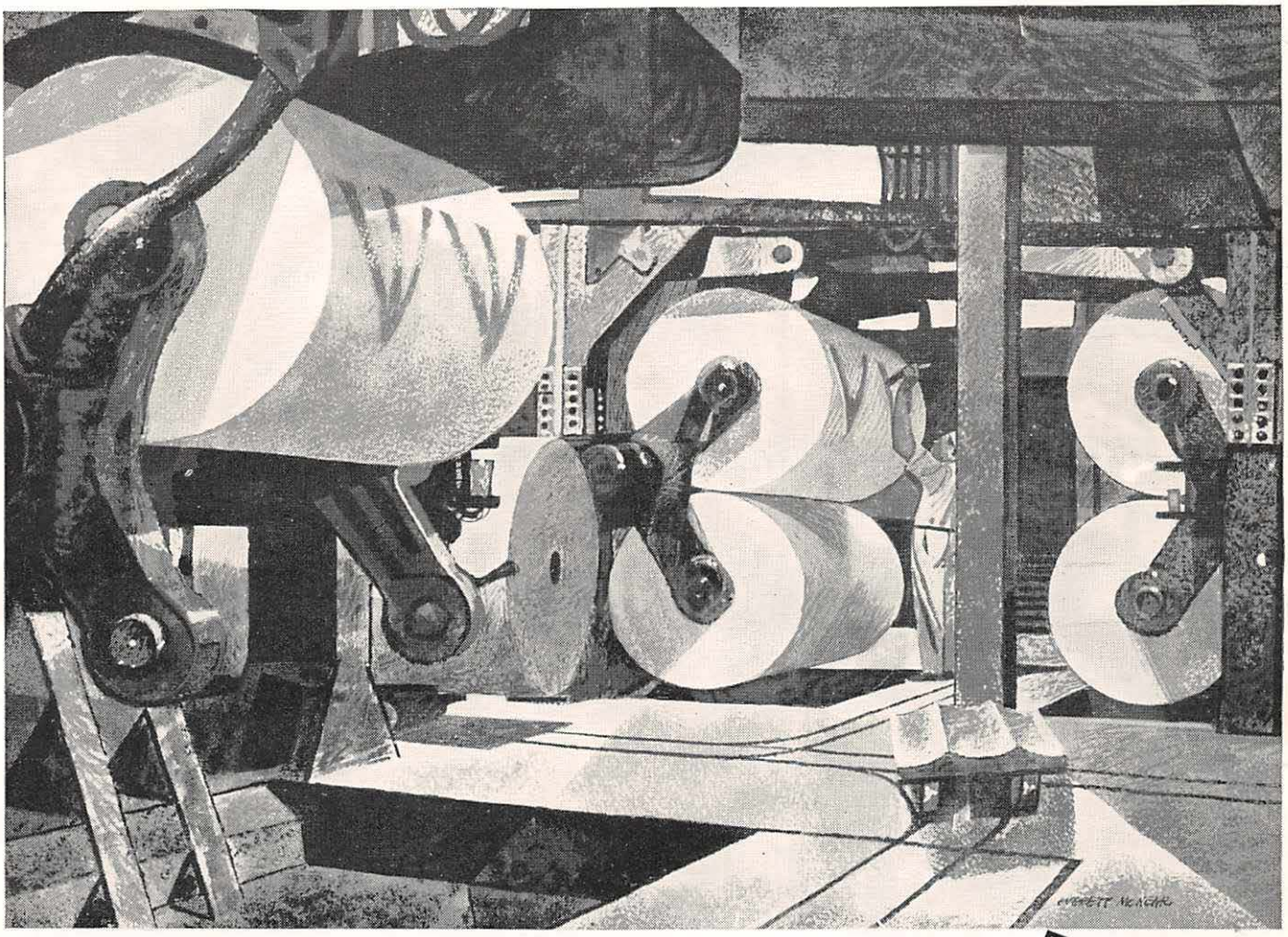
ALL TRANSPORT MODES should, in NITL's view, have "greater freedoms of managerial responsibility." But Mr. Ott noted that "it was the railroads who were pleading for greater freedom of ratemaking in 1958 and the alignment of the parties has not changed. It was and is only the water and motor carrier interests who seek legislation against rate reductions."

THE TEAMSTERS UNION has adopted "the pat phrase of 'selective-destructive rates' and the motor carrier testimony treats all rate competition as destructive," said the NITL spokesman. But rate reductions, he contended, are not "*per se* unfair or destructive; they are needed to modernize an outmoded rail rate structure so as to reflect the inherent advantage of low unit cost transportation."

RAILROAD COMPETITORS want rail rates to continue on "the outmoded value-of-service theory," said Mr. Ott, because "it has the effect of holding an umbrella above their own rates." Such a course, he warned, would deny the inherent cost advantage of rail transportation wherever it exists and "would bring about the destruction of railroad service."

THE FACTS DON'T SUPPORT the charge of Senator Bartlett (D.-Alaska), who introduced S.1197, that the 1958 Transportation Act permitted railroads to embark on a "rate cutting binge," said Mr. Ott. The ICC's record since 1958, he said, "does not present the slightest appearance of too much liberality" in allowing rate adjustments. "The league feels rather that the Commission has been unduly restrictive; more liberalization is needed, not less."

Found: The remedy for newsprint damage, U.S. publishing's high-speed headache



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In achieving this remarkable record, Milwaukee Road personnel carried out fully the recommendations of the Special Committee on Newsprint Transportation and Handling of the Association of American Railroads.

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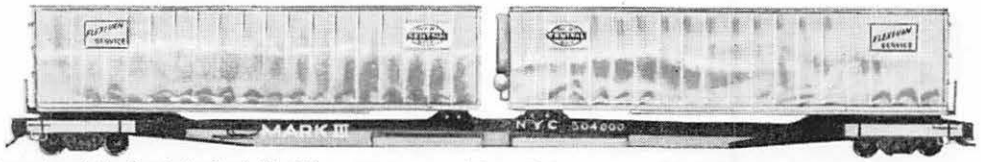
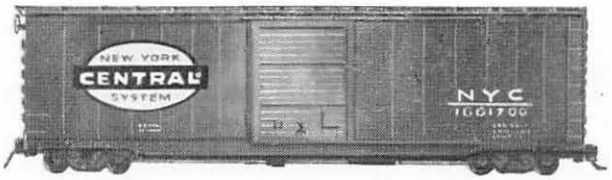
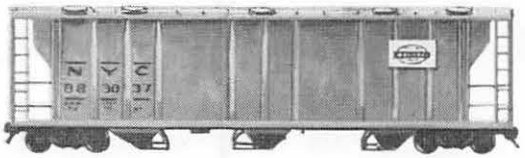
—*The Milwaukee Road, Union Station Bldg., Chicago*



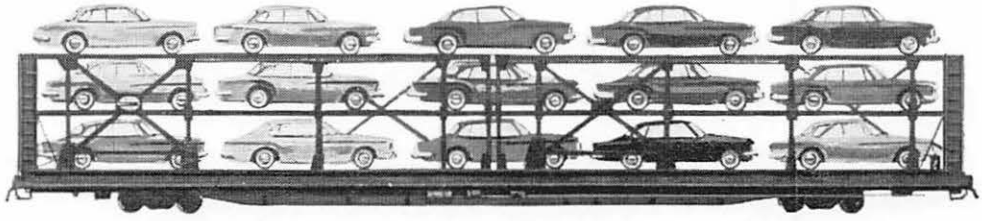
New star of the Central's fleet. Flexi-Van cars carry containers that carry everything—door-to-door—by rail, road or sea.



This versatile workhorse may be fitted with racks, air pillows or movable bulkheads for a wide variety of products.



Some covered hopper cars tote food—such as flour, sugar or corn grits. Others carry cargoes such as cement or bauxite.



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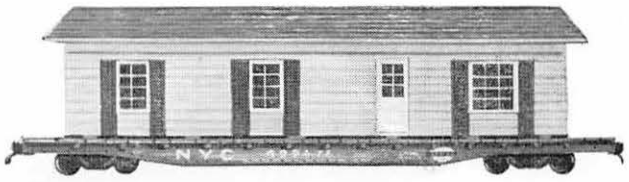
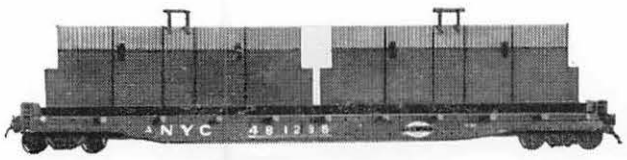
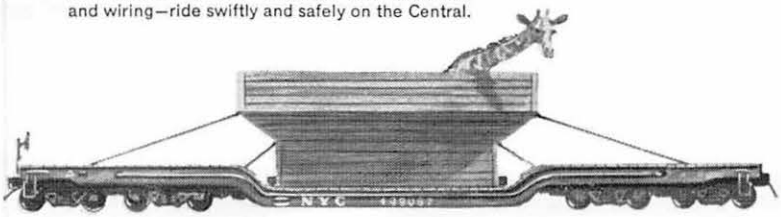


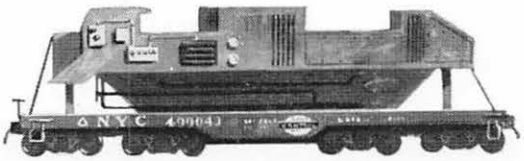
Prefabricated houses—complete with plumbing and wiring—ride swiftly and safely on the Central.



Some cars are fitted with skids and hoods to protect coiled sheet steel enroute to auto body makers.



Depressed center cars carry high loads under low bridges. Used for giant transformers and other giraffe-type cargoes.



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Shipments move faster on the Central, too. *In the last four years, Central freight train speeds have doubled!* And electronic classification yards have cut car sorting time from more than 24 hours to less than four.

If you don't specify shipment via the New York Central, you may be missing out on important savings. Why not call your local New York Central freight representative for further details?

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A Sporting Proposition — We'll bet you a railroader's hat that we can solve any special shipping problem you have. Call, wire or write W. M. Hoffman, V.P. — Freight Sales, New York Central, Dept. L, 466 Lexington Ave., N. Y. 17, MU 9-8000.

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HIGHBALLING TO A CRISIS (*Continued from page 23*)

right back into force. The railroads must publish their rates, they must charge the same to all customers—and if they want to lower the charges they must serve public notice and then wait a month for somebody to protest. If there is a protest—as there frequently is—there is an additional indeterminate wait while the ICC holds hearings. Meanwhile their waterway competitors keep the business, charging whatever the traffic will bear.

How important are bulk commodities to the water carriers? They add up to *ninety* per cent of the tonnage hauled on our waterways. In other words the law regulating our barges and towboats is so written that it applies to only ten per cent of what they carry!

But the barge operators were not the only ones standing in line when Congress passed out the sunshine of its understanding. Five years earlier, when the motor carrier section was enacted, there was included a similar exemption, this one for trucks carrying agricultural products. Though it is clear that Congress intended this provision only to protect the farmer in the movement of his produce off the farm to his so-called "first market," the wording was so loose—and the court interpretations have been so liberal ever since—that today trucks haul such items as poultry from the farm to the processing plant and from the processing plant into the big-city markets *totally free of government regulation*. Again, take the poultry out of the truck and put it in a railroad car, and all the laws immediately go into effect.

How can a railroad compete against the service described in the following advertisement from the Grand Forks, N. D., Herald: "POTATO SHIPPERS. We have trucks returning empty from Grand Forks to Chicago and the St. Louis area daily. Fast insured transportation. SET YOUR OWN RATE. Bob Jenkins Truck Lines, Box 430, Charles City, Ia." The answer is, they cannot compete. The New Haven has lost almost all its fish traffic out of Boston—formerly 45 carloads a day—and its cranberry tonnage from Cape Cod. The Milwaukee's fresh-meat and packinghouse-products haulage to the state of Washington went down 81% between 1954 and 1956. Railroads now haul only one out of ten cattle and hogs to market, virtually no eggs; their fresh fruit and vegetable traffic has been cut in half since the war.

These two exemptions are typical of many inequities in the laws. In fact, the loopholes are woven so finely into the law's fabric that violators move through them like water through a sieve. "Proof, if any be needed, that our present regulation is unsound can be found in the wholesale evasion of regulation by otherwise law-abiding citizens. Only the Prohibition Act and such blue laws as forbid a man to kiss his wife on Sunday have been so generally flouted," says the Doyle study. During a seven-day period in June 1960 the National Conference of State Transportation Specialists conducted a round-the-clock, 18-state check of highway truck traffic and came to the conclusion that "conservatively speaking" one out of four trucks was breaking the transportation law.

Effects—and Remedy

That, then, is the picture our transportation industry presents today—a large number of Federal and state agencies conflicting with one another as they try to govern the different modes of transportation under different philosophies and under a set of laws that guarantees injustice and invites violation. What are the effects of all this on our economy?

The first effect is to make it impossible to gage the actual economic efficiency of any one method of transportation. It is like comparing apples and oranges. A cranberry shipper on Cape Cod may be getting a bargain when he can dicker with a trucker for a lower-than-railroad rate to get his produce to New York. But it is tax-supported subsidies and a competitive edge created out of thin air by the law that give him the bargain. The important question is, is the nation as a whole getting a bargain? The answer is no. "There is no great room for doubt," says the above-mentioned Commerce Department study, "that, were all traffic distributed in accordance with the *true comparative advantage of the several forms of transport*, the annual transportation bill would be reduced by several billions of dollars on freight alone."

Or, in the words of the Rockefeller report, "The extent to which the transportation industry is performing services either below cost or excessively above cost is a matter of major economic concern." In other words, our economy simply can't afford to waste billions every year paying transportation bills that don't make over-all sense.

Nor can we afford the second effect of our transportation mess: the gradual shriveling up of our common carrier system. This is the real crux of this "second major crisis in our transportation history." For common carriers are the basis of our economy. They are by law required to haul anything haulable, from any point of their system to any other point, for any shipper, at the same publicly announced and government-regulated rate for all customers. Common carriage is the shipping service for the general public; without it you and I—every individual and business—would either have to own or lease our own transportation facilities whenever we wanted to have something hauled.

Today the only true common carrier—100 per cent regulated and unsubsidized—is the railroads. Nine-tenths of our water carriers and two out of every three long-haul trucks you see on the road are exempt from all but safety regulations. Both the railroads and common carriage are declining rapidly. In 1930 the railroads hauled 75% of our intercity freight; last year they hauled 44%. Present trends indicate that this decline will continue as long as the chaos of conflicting laws and agencies keeps them at a competitive disadvantage.

Last year the railroads earned only two-tenths of a per cent more on their investment than they earned during the depression. The first four months of this year they took a net loss. We are face-to-face with the bankruptcy of our railroads, and with it of our common carrier system. That, very simply, is the crisis.

We can avoid this crisis, but we have to work fast. The Democratic party platform in the last election called for the achievement of maximum efficiency in transport, and there is no secret about how to get it.

First we must put transportation's legal framework in order by removing from the present laws the bulk-commodity and agricultural-commodity exemptions and the many other similar anachronisms, absurdities and inequities that tie one form of transportation to the floor while giving a green light to others.

Second, we must do what every objective student of the problem has been calling for since the 1920's. We must coordinate the system by giving over-all responsibility for it to one agency. Some recommendations have favored a Cabinet-level Secretary of Transportation; some have been for gathering in the reins at a lower level. There are valid disagreements as to which would be preferable, and these differences need public airing. But there can be no valid disagreement that we must pull the system together and give it unified direction.

If we don't pull it together there is not the slightest doubt that it will very soon begin to fall apart, piece by piece.

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tive only when you have a two-way move, with balanced return load or backhaul," confirms E. K. Brenner, traffic manager, McDonnell Aircraft Corp., St. Louis.

The decision should "discourage 'do-it-yourself' transportation," in the opinion of F. C. Tighe, assistant general traffic manager, Union Carbide Corp., New York. On the other hand, he believes "removal of the cloud of uncertainty should open the door to additional rail tonnage together with highway and rail carrier cooperation, resulting in more Plan V joint rates. There will be," he predicts, "trailer and container pools which will facilitate trip leasing so the user will not have unneeded equipment on his hands."

Possible diversion of box car tonnage to TOFC, in Mr. Tighe's view, "is not bad but good, because the car revenue should show a net increase. We have already seen some TOFC movements revert back to box cars because the railroads established incentive rates. The door to progress has been opened and the way is now cleared for an enlightened cooperative effort between user and carrier that will be beneficial to both."

Mr. Tighe's views are shared, in general, by D. M. Daly, director of traffic for Bristol-Myers Products Division, Hillside, N.J., whose company is an ardent advocate and long-time user of Plan III (RA, March 28, 1960, p. 24).

"The Commission's decision," Mr. Daly writes, "should dam the flow of tonnage to private carriage and return to common carriage an appreciable volume of present private carrier tonnage. Many companies currently commited to private carriage have only been waiting the decision in 32533 to make their move away from it." Like other respondents, he feels that "very few manufacturers are interested in operating their own fleets. In every case we know of, except where special considerations prevail, the single overwhelming reason for entry of manufacturers into private carriage was the rate saving thereby available. We doubt that those industries who went into private carriage through economic necessity will remain with it."

Plan III Changes Needed

Like W. H. Ott, general traffic manager, Kraft Foods, Chicago, who says Plan IV "will help not at all," Mr. Daly is primarily interested in Plan III. "Plan IV arrangements, as they now stand, were written primarily for freight forwarders." Along with other Poll respondents, Mr. Daly would like to see the service extended. He suggests especially extension of Plan III to the West Coast or of Plan IV, "in usable form," to the East Coast, with "removal of the present mixing rule and availability of flat cars on a one-way trip basis." That, he is sure, "would return to the railroads a very appreciable volume of freight."

The "mixing rule" mentioned by Mr. Daly continues to be a sore point with many shippers. Witness the comment of H. F. Hanson, corporate manager—transportation, of Brunswick Corp., Chicago: "The 60/40 lading requirements are discriminatory and should be challenged, as there are very few shippers in position to take advantage of any transportation economies offered under these plans at present." Mr. Hanson does foresee an increase in use of private trailers, "if and when these requirements are eliminated," but "when this takes place, it will accelerate the revolution and evolution now under way in the transportation industry." Private trailers, he suggests, could be transported to destination railhead by piggyback and to ultimate consignee by local cartage or highway common carrier. This, he adds, may disturb present rates, and perhaps require legal modifications, but "it will be interesting to watch the changes that are imminent."

Several respondents think there is still much to be clarified, or that it is "too early" to reach any positive conclusions as to the effect of the Commission's decision.

RAILROADING AFTER HOURS WITH JIM LYNE

BUILDING MORALE—One of the most encouraging notes I've had in quite a while comes from Santa Fe's Assistant to Safety Superintendent A. M. Hansen at Topeka. What he reports is a "revival" in the spirits of railroad people, as they see business beginning to pick up somewhat.

With all the talk about "morale building" (and I'm in favor of it), there is one kind of morale building that beats all other varieties; and that's having an organization on the job that is getting in the business.

Job security, chances for promotion, higher pay—the likelihood of attaining these is an effective morale builder; and a management which can contrive to build business (or shows it is doing everything humanly possible to that end) usually can count on the enthusiastic support of the boys down the line.

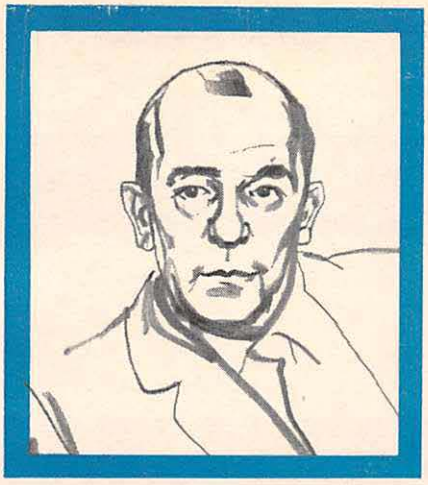
General Grant was a popular commander because he won victories. General Lee was beloved, because his troops believed he would win whenever the odds were not hopelessly against him.

M/W PIONEERING — Frank Speno has shown me a copy of the proceedings of the New England Railroad Club for February 13, 1934, at which the speaker was George Phillips—then in charge of roadway maintenance of the Lehigh Valley. He described the program of upgrading the property which went on from 1910 to 1928, and the program of mechanization for expense reduction that came thereafter. The point F.S. made was that the sound practices in this department today are not fundamentally different from those instituted by G. A. P. 30 years and more ago.

While I'm not technically qualified to pass judgment on specific accomplishments in the m/w department—I do know that the beginnings of practically all sound practices date back to pioneering by fellows with initiative and imagination. This holds true for all departments; and going through the bound volumes of Railway Age, as well as railroad club proceedings, will confirm this conclusion.

NO SNOW TO SHOVEL — Retired Railroader Lee Spencer writes from his home at Scottsdale, Ariz., that it's 115° out there but he's happy—he'd "rather sweat than shovel," as he used to have to do when he lived in a more temperate climate.

Lee sees a lot of things working together toward a better day for railroading—e.g., the "integral train" proposal, in the light of what's already being done in economic handling by the bulk ore carriers. The beginning of operation of crewless trains also captures his interest—and he'd like to see a lot of faster progress in resolving the controversy about the maximum safe load for a wheel. He's even optimistic enough to believe something could be done with LCL if the paperwork were cut down by simplified rating.



Shippers Along the Coast Line

W. L. Mote is the manager of the Rocky Mount, N. C., American Bakeries Company plant, one of 18 such facilities which the Company operates throughout the Southeast.

In Rocky Mount, N. C. . . .

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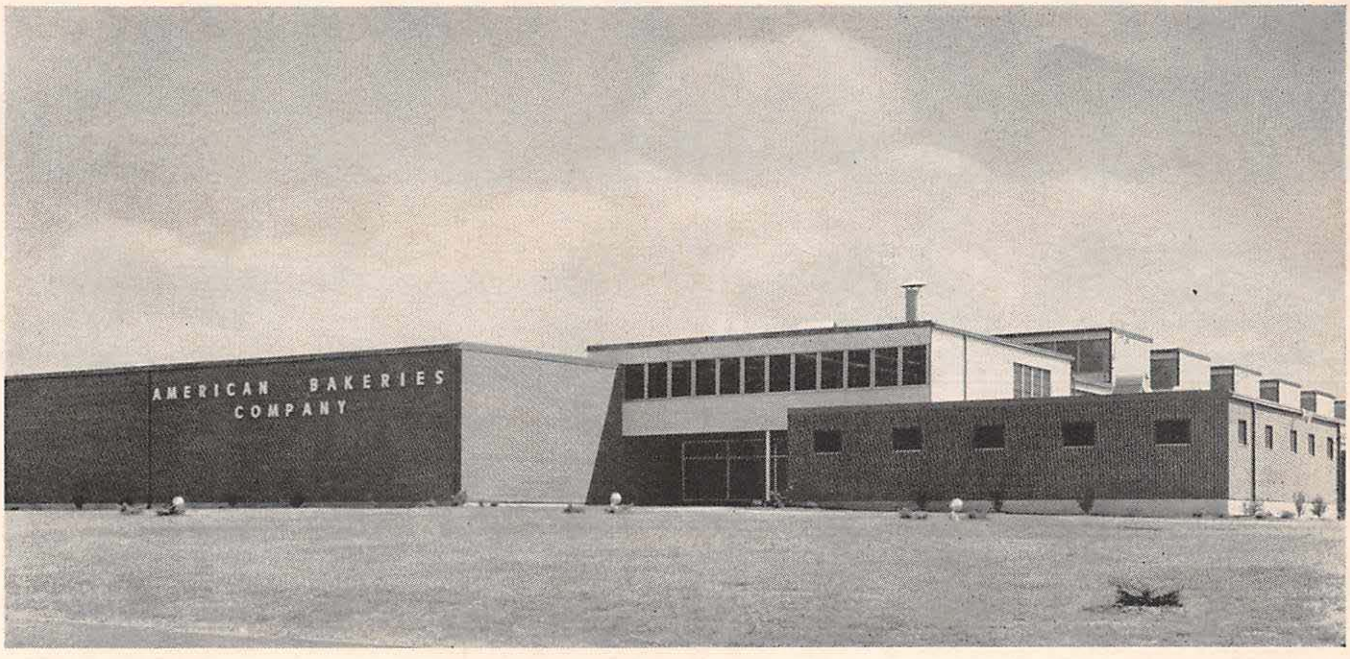
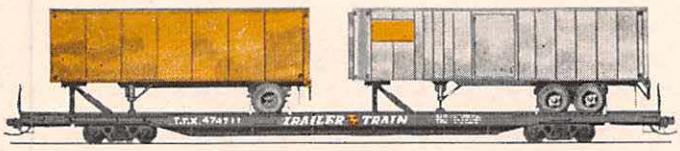


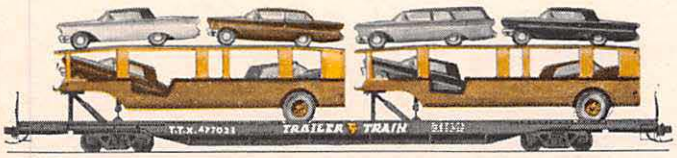
American Bakeries Company plant, Rocky Mount, N. C.

The American Bakeries Company plant at Rocky Mount, N. C., one of the largest and best equipped bakeries in the Southeast, produces a complete line of bread, cake and rolls. The plant distributes its line of quality Merita baked goods over an area within 100 miles radius of Rocky Mount.

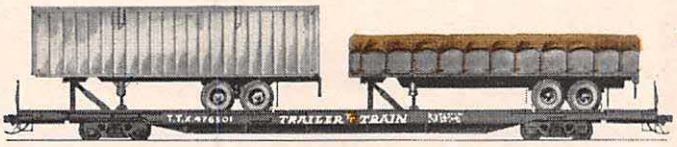
A productive company, like American Bakeries, requires a lot of raw materials, and wants good transportation for their movement — rapid, reliable, reasonably priced shipping services such as Coast Line offers. Whatever your company, whatever you ship in or out, if you're interested in more efficient, more economical transportation, call for a Coast Line specialist.

. . . serving the Southeast Coastal 6





Takes 'em all TRAILE



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United States Freight
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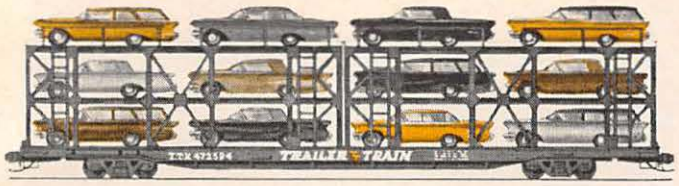
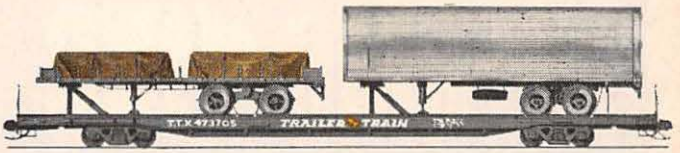
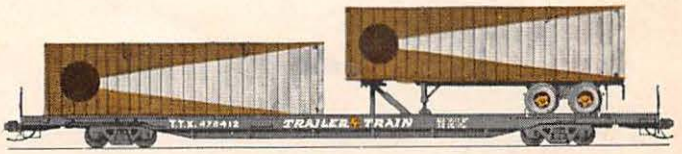
All for one — and one for all!





R TRAIN PIGGYBACK

... the trains that team with trucks



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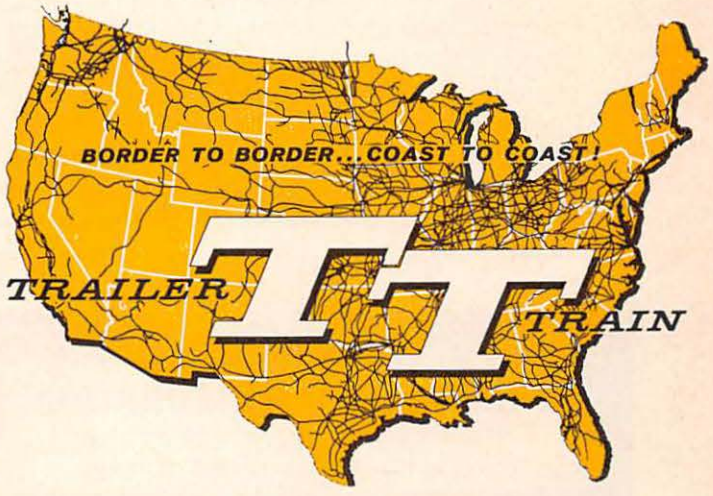

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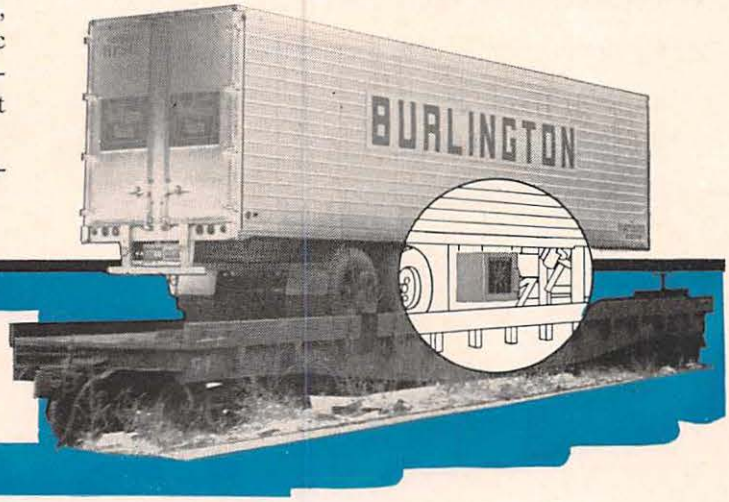

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U. S. Transportation—Highballing to Crisis

Railroad people have an important responsibility to help explain today's urgent transportation crisis to the American people. The nation pays too much for the movement of goods and passengers; yet even this high price tag has not provided a sound transport system.

Reasons for this seeming paradox are outlined in the article below. Here, in layman language from a prominent railroad executive, is the story of the crisis and how, in particular, railroads are being hurt by it. Railroaders should know the story well. Indeed, they must know it, and use it often, if the public is to be stirred to action before time runs out. . . Editor.

By DAVID I. MACKIE, Chairman, Eastern Railroad Presidents Conference

Last year we Americans spent 100 *billion* dollars on transportation—half of it to move ourselves around the country, half to move our products. Transportation, in fact, accounted for a fifth of all the goods and services we produced. We paid for it in dozens of different forms, direct and indirect. If you bought a Buick in New York you paid $100 to bring it in from Detroit. This was on top of well over $100 in transportation charges that you would have paid even in Detroit; for as the car rolled off the assembly line the cost of every one of its components contained the charge for at least one—sometimes half a dozen—rail, barge or truck journeys during its transformation from a lump of ore into a finished part.

This ore-to-store transportation process consumes about a dime of every dollar you spend. If there were no transportation charges—if the whole mine-to-consumer movement took place under one roof on one huge assembly line— you could knock roughly $300 off the price of a $3,000 car.

But the transportation industry is even more crucial to our economy than is indicated by its huge share of our productivity. For most economists agree that, in the words of a recent Department of Commerce study, "less improvement has been made in distribution than in production of goods, and much of the remaining margin for the improvement of the Nation's economic efficiency lies in the area of distribution."

So one of the most crucial questions we can ask about the health of our economy is, how is transportation doing? Ask this of almost any expert in the field and you will not get a very happy answer. *For the system is in miserable shape, and unless we undertake major improvements soon it is in danger of a serious breakdown.* Here are two typically horrified comments:

A subcommittee of the House of Representatives two years ago took a searching look at the system and found it in "an unenviable state of suspended animation, detrimental to the economy and dangerous to the defense of the country . . . a picture of obsolete equipment, 19th century economics and laws and antiquated thinking."

A special Senate transportation study group issued a preliminary report, the so-called Doyle Report, early this year, warning that we are headed for "the second major crisis in our transportation history"—second, that is, only to the national crisis of the 1870's and 80's brought on by the railroads' monopolistic price fixing and discrimination among shippers.

Though such comments are commonplace among experts, they come as a considerable surprise to most laymen, because on the surface our transportation facilities *look* in fine shape. Despite a few obvious weak spots—the most publicized being the growing difficulty of hauling our metropolitan populations back and forth between home and office—in general the system has a wonderfully efficient gleam to it.

It is hard to go anywhere in the country without seeing one of the new interstate highways being rolled out across the countryside like a carpet; city after city is getting its new jet airport, bringing it twice as close as before to any other part of the country. The midwest has overnight been made an Atlantic seaboard region by the St. Lawrence Seaway. More than 100,000 miles of pipeline have webbed over the country since the war, an underground railroad invisibly hauling gas and petroleum at round-the-clock speeds of up to 60 miles an hour. Even the railroads themselves, though they are now in financial trouble, operate over their incomparable 217,000-mile physical plant with a massive new efficiency that comes from such recent advances as electronically controlled switching yards, continous-weld rails and centralized traffic control.

What can be wrong with a system made up of such parts? The basic answer is that it is not a system at all; it is a collection of components thrown helter-skelter together and competing with each other bitterly, with little regard to the inherent economic efficiency of each one, under an Alice-in-Wonderland maze of different rules and different umpires. The rules conflict and are shot through with loopholes, and both rules and umpires are concerned only with specific details, ignoring the system as a whole.

The resultant over-all mess of our transportation system breaks down into three distinct sub-messes.

Fractionalized Responsibility

The first is the sub-mess of fractionalized responsibility. On a national level the *Interstate Commerce Commission* sets rates for and regulates the performance of all the railroads, some of the trucks, some of the barges and some of the pipelines, sharing parts of this job with the *50 individual state public service commissions*. The *Federal Power Commission* regulates the pipelines not regulated by the I.C.C. The *Civil Aeronautics Board* and the *Federal Aviation Agency* split up the job of subsidizing and regulating the airlines. The *Bureau of Public Roads* oversees the highway-building program nationally (sharing the job with the *50 state highway commissions*). The *U. S. Army Engineers* get into both the waterway act and the road-and-railroad act—the former through their stream-dredging and dam-building activities, the latter through their responsibility for establishing bridge clearances over the waterways. The Engineers share part of their waterway job with the *Coast Guard,* which runs the ice breakers and keeps the channels marked, and with the *U. S. Coast and Geodetic Survey,* which charts the streams. The *Federal Maritime Board* subsidizes the ocean-going ships that compete with other methods

(CONTINUED ON PAGE 22)

Throwing the
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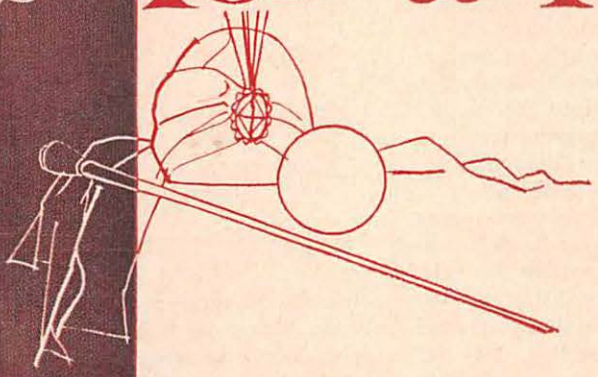

A few years back even the most optimistic prophets could not have foreseen the exciting new developments in freight carrying equipment that are revolutionizing the rails.

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of transportation up many of our rivers and via the St. Lawrence Seaway as far inland as Duluth, Minn. The *Post Office Department* has an important effect on transportation through its granting of mail contracts to trucks, rails and airlines. Even the *Tennessee Valley Authority* gets into the picture via its waterway development activities, and the *Weather Bureau* through its intensive services to the airlines.

Thus a dozen Federal agencies—some of them independent boards and commissions, others representing the Departments of Commerce, Defense, Post Office and Treasury—juggle bits and pieces of the responsibility for our transportation system back and forth among themselves and 100 state commissions. Nowhere among the tens of thousands of public officials involved is there one person whose job it is to look after the system's over-all efficiency.

"The field of transportation," says a 1958 report by the College of Business Administration, Boston College, "is honeycombed with governmental agencies each with specific jurisdictions but none with the power to take the comprehensive and long view." The Rockefeller Brothers report on the U. S. Economy made the same point: "Nowhere in the Executive branch of the government is centered responsibility for formulation of over-all transportation policy." As a result the system is constantly clashing its gears. For instance:

In recent years the Civil Aeronautics Board has been "busily engaged," as one CAB commissioner put it, in providing airline service into small communities where railroad passenger schedules are being reduced. It does this without any consultation with other regulatory bodies. In other words, as soon as the ICC allows the reduction of rail service the CAB subsidizes airline service to fill the gap, without either agency discussing the problem with the other.

At the frigid depth of this past winter the Hudson River froze over, creating an "emergency" in upstream communities. The Coast Guard spent several days organizing a convoy and then assigned three ice breakers to inch the ships up the river—despite the fact that throughout the "emergency" railroads were operating on both sides of the Hudson.

The current multi-billion-dollar highway building program is criss-crossing its cement arteries back and forth through dozens of our most crowded metropolitan areas. These are the sections of the country where the railroad commutation problem is at its worst—yet the Bureau of Public Roads, which supervises the building of the highways, and the Interstate Commerce Commission, which regulates the rails, have made no attempt to get together on the problem. In the Newark, N. J., area alone there are upwards of 50 separate federal and local government bodies, public authorities, bus lines, rapid transit companies and railroads engaged in providing transportation services without any central direction.

'Our transportation system is not a system at all; it is a collection of components thrown helter-skelter together, competing bitterly, with little regard to inherent economic efficiency, under an Alice-in-Wonderland maze of different rules and different umpires.'

A recent study of Boston's transportation problem found that "A dozen separate agencies, all involved with various aspects of transportation, maintain no communication and guard jealously their individual plans."

Under the Bureau of Public Roads the highway-building program is now necessitating the building of bridges and underpasses on some of the 60,000 miles of railroad that will probably be abandoned—under the ICC—shortly after the highways are finished.

On the other hand the BPR complains that the Army Engineers, in setting unrealistically high bridge clearances over navigable streams, may add an unnecessary $180,000,000 to the road-building cost. One of many already existing monuments to this kind of waste is a bridge over the Kennebunk River in Maine, the navigational increment to the cost of which amounted to $7.24 for every ton-mile of freight moving on the river from 1929 to 1952!

Conflicting Philosophies

So to begin with we have put too many government cooks to stirring the transportation broth. But as if the resultant chaos in the kitchen were not enough, we have thereupon compounded it with sub-mess number two: we have given each of the cooks a different recipe to work with. No two of these agencies treat the branches of transportation under them in the same way. In fact they operate under two mutually conflicting philosophies.

Some of them—the ICC is the prime example—simply *regulate*; they play the role of policeman to make sure the industry operates in the public interest. Others, like the Maritime Board and the Army Engineers, *promote* the industries they oversee—act the mother hen, handing out direct subsidies in the form of money grants and indirect ones in the construction and operation of facilities. Some agencies, like the CAB, mix the two roles together, providing the promotional carrot in the form of subsidies and the regulatory stick in the form of strict policing of performance.

James M. Landis, former Harvard Law School dean who made an investigation of the regulatory agencies for President Kennedy, put his finger squarely on the result of this recipe-mixing: a "lack of any policy as to the nature of the competition that should exist as between forms of transportation." Or, to put it more bluntly, competitive chaos. For instance:

Since 1947 government has spent $106 billion building, operating and directly subsidizing our waterways, airways, airports and highways, and this year it will spend another $12 and a half billion. This is *promotional* cost. Yet in this century the only money the government has spent on the railroads and pipelines has been the administrative cost of *regulating* them. Most people are under the impression that the land-grant and other subsidy money the railroads received from the government in the 1800's still gives a carry-over boost to railroad finances. This is nonsense; the debt was paid back, out of railroad profits during the days when they *were* making a profit, more than nine times over. Today the railroads pay all the costs of maintaining and operating their huge physical plant. Yet they must compete with trucks, busses, airlines and water carriers whose entire "track" and most of whose "stations" are built and maintained by the government. (These other branches do pay so-called user charges on some of their facilities, but these are not even nearly

in the same league with full operating costs.)

The State of New York built and pays all maintenance costs on the Champlain Canal and provides it as a toll-free right-of-way for all comers. The canal parallels the Delaware and Hudson Railroad the entire distance from Albany to Plattsburgh, where the Strategic Air Command operates a jet bomber base. When the base was opened the railroad, which has comparatively little industry along its line, anticipated a lucrative traffic in jet fuel. But today the D&H hauls no fuel to Plattsburgh; the business has gone to the toll-free canal—*despite* the fact that the waterway is closed down during winter and, in wartime, the railroad would be depended on to carry the fuel. In peacetime the base can store enough to carry it through the winter and allow it to avoid the railroad's unsubsidized rates.

The Hudson & Manhattan rail passenger service between Newark and New York under the Hudson River was for years a self-supporting operation. Then came the government and authority-built web of bridges and tunnels across the river; today the H&M is in receivership.

The Army Engineers are now in the process of improving the navigational facilities of the Arkansas River at an initial cost of $850 million and an eventual maintenance and operation cost of $10 million a year. This is despite the fact that the Doyle study found "no evidence . . . that the Arkansas Basin area has lacked, now lacks or in the foreseeable future might lack, adequate transportation services in the absence of this navigational improvement." The reason given for the improvements is that the residents of the area want to force down railroad rates. What reason the Army Engineers have for tinkering with railroad rates has not been explained. And even if these rates were their responsibility, spending $850 million would be an expensive way to bring them down; if they are indeed too high the ICC could reduce them with a stroke of the pen.

"Let's go from Albany to Buffalo on our railroad," says Alfred E. Perlman, president of the New York Central. "On one side of us is the Erie Canal, built by the State of New York, dredged by the State of New York, maintained by the State of New York. Right next to it is the new superhighway built by the State of New York. And on the other side of it is the St. Lawrence Seaway. I would say that if the New York Central Railroad were given the money that the St. Lawrence Seaway cost we would be very happy to carry free the freight carried on the Seaway."

This offer is not as daring as it may sound. The General Electric Company has estimated that if the Erie Canal were closed down and the government paid the entire annual freight bill for shipping the canal's tonnage by railroad, the cost to the taxpayers would be cut by more than half.

Unworkable Laws

But too many cooks and too many recipes is still not the whole story of our over-all transportation mess. There is still sub-mess number three: the utensils we have given the cooks to work with. These are the transportation laws themselves, and they are in such bad shape that they would make a decent job almost impossible even without the other two basic flaws in the system.

Like the transportation system as a whole, the Interstate Commerce Act, which regulates the system, looks deceptively logical at first glance. It starts out with the laudable objective of "developing, coordinating, and preserving a national transportation system by water, highway, and rail, as well as other means, adequate to meet the needs of the commerce of the United States, of the Postal Service, and of the national defense."

But when you study it closely you find that this single "Act" is actually an encrustation of different acts that started flaking together back in 1887 when the railroads had a virtual monopoly of intercity transportation. That first 1887 act was passed by a wrathful Congress aroused by railroad excesses, and its sole intent was to get a rein on the iron horse. Gradually over the years this law was added to and subtracted from, but the original strong flavor of displeasure and distrust of the railroads remains to this day.

Over these same years, however, competitors began to take traffic away from the railroads—trucks, busses, pipelines, waterways, airlines—and as each of these different methods of transportation became important nationally a law was passed to pull it into the regulatory scheme. But there was this basic difference: as these various modes emerged, Congress felt more protective of them than angry with them. Consequently the laws applying to these later entries on the transportation scene are strongly flavored with benevolence. As one observer has put it, "The railroads were paralyzed by a bolt of lightning sent down by a wrathful god; their competitors bask in the sunshine of understanding."

The total effect of this lightning-and-sunshine combination is a mass of legal inconsistencies and contradictions that is run through with specially constructed loopholes and exemptions; they permit huge sections of the transportation industry to operate free of regulation while competing with other sections that are under rigid government supervision. "The mistake was made," says the Commerce Department study, "of supposing that competition by newer forms of transport could be fostered while retaining the old concept as it had been applied to the railroad system. . . ." Or, in the more concise wording of the Rockefeller report, "The present double standard of regulation is basically unsound."

There are many flagrant examples of how unsound it is, but let's look at two that are representative of the rest; these are the bulk-commodity exemption for water carriers and the agricultural-commodity exemption for trucks.

When the section covering water carriers was daubed onto the over-all legal framework in 1940, the following innocent language was included: "Nothing in this part shall apply to the transportation by a water carrier of commodities in bulk. . . ." Bulk commodities are those that are not individually packaged or counted, such as grain, coal or petroleum. Barges carrying these exempt commodities don't have to pay any attention to the regulations covering common carriers. They can charge whatever rates they want; they can make these rates in secret and change them from day to day, letting neither their competitors nor their various customers know what price they quoted yesterday or what they will quote tomorrow.

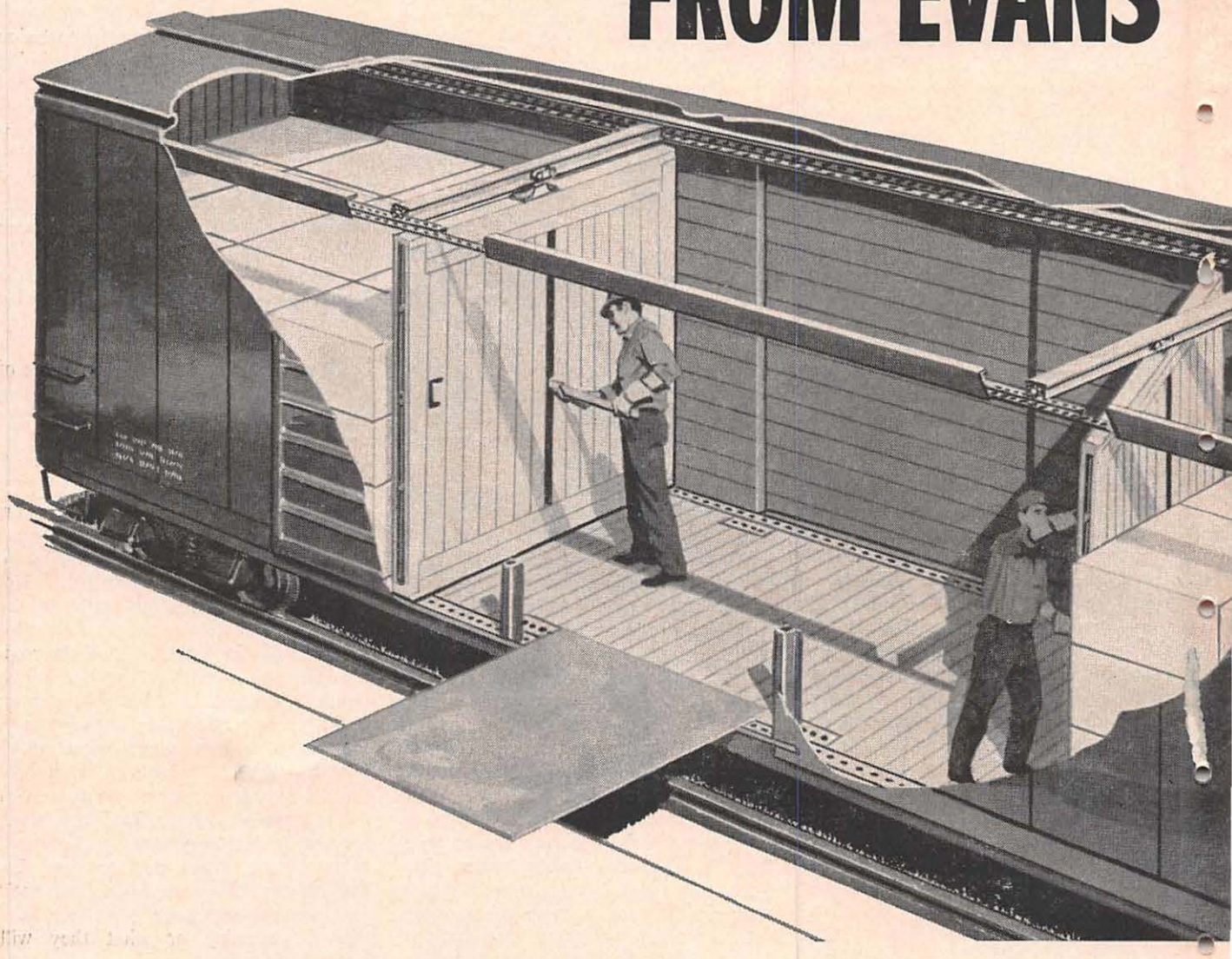
But as soon as one of these commodities is off-loaded from a barge to a railroad car, all the regulations snap

(*Continued on page 26*)

'We can avoid a crisis, but we have to work fast. First, we must put transportation's legal framework in order. Second, we must coordinate the system by giving over-all responsibility for it to one agency. If we don't pull it together, it will very soon begin to fall apart.'

ANOTHER FIRST . . .

NEW ONE-PIECE BULKHEADS FROM EVANS



Evans Products Company, manufacturer of the famous DF* LOADER, presents another outstanding damage-prevention device . . . the one-piece DF-B bulkhead. Perfect for preventing damage in transit to most packaged and palletized commodities—bakery goods, canned goods, bottled goods, chemicals, toiletries, drugs! *Simple and easy to use . . . a one-man, one-lever operation!*

Evans DF-B equipment consists of a pair of one-piece bulkheads, each suspended from traveling beams. As illustrated, the operator can move the bulkheads into position against lading at any location in the car, or pivot them out of the way against either car wall. (They'll rotate a full 360°.) Lading is firmly braced and protected against transit damage.

Installation of DF-B equipment means savings in time, labor, dunnaging materials—and virtual elimination of shipping damage.

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ONE-MAN, ONE-LEVER OPERATION. Bulkheads are strong but light in weight. They are easily operated by one man. Shippers save on labor costs.

FASTER LOADING. One-piece bulkheads can be positioned and locked in just a few moves. They can be placed flat against walls of car or doorway area for maximum room . . . fork lift trucks can load and unload more efficiently.

NO REMOVABLE PARTS . . . EASY TO MAINTAIN. DF-B equipment is installed as part of the freight car structure. There are no parts to lose or to be replaced. The few working parts are accessible for easy and fast maintenance.

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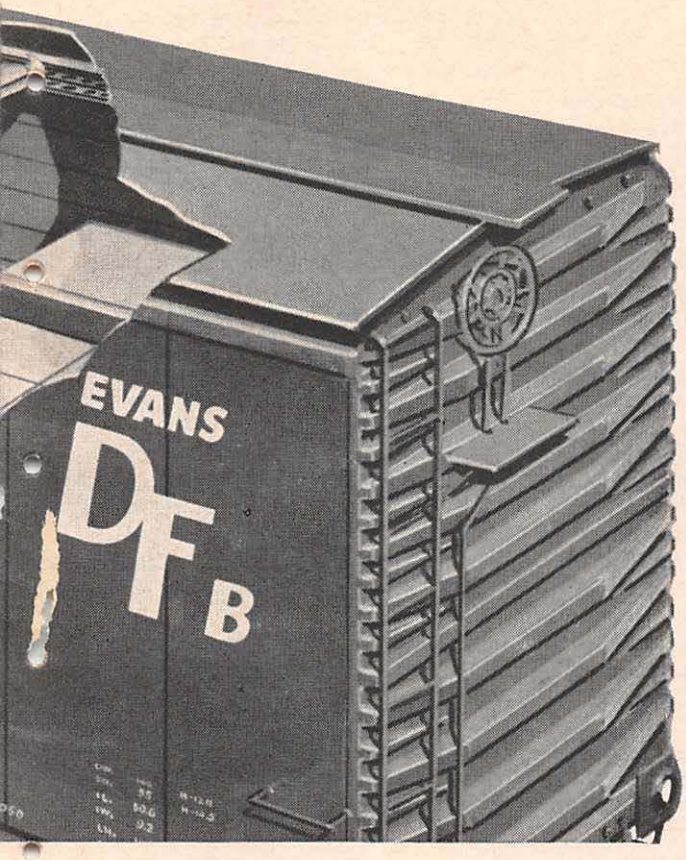
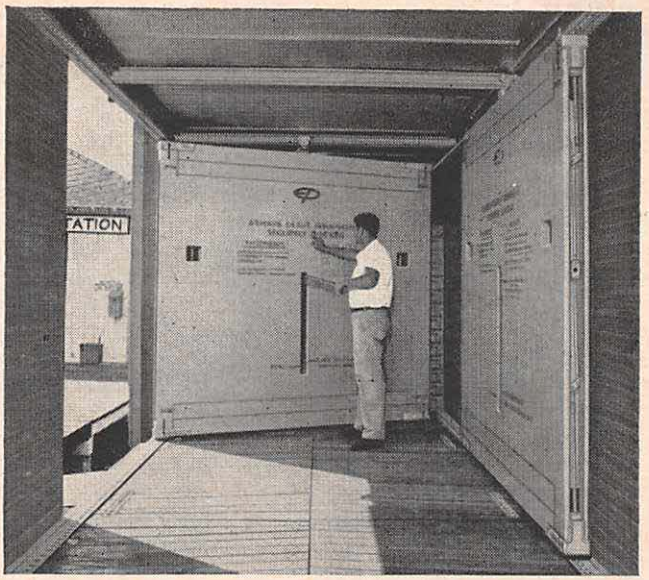
DF$_B$ EQUIPMENT . . . for controlled protection of lading in mechanical refrigerator, RB (insulated) and plain freight cars





Move the bulkheads anywhere you wish with minimum effort. They may be pivoted and laid against the car walls . . . or they may be moved easily and quickly to partition the lading at intervals along the car's entire length, including doorway area.

In a DF-B equipped car, lift trucks have plenty of room to maneuver for fast, efficient loading and unloading. Both bulkheads may be placed back to back, as shown, during loading of car. Bulkheads are out of the way, need not be handled until loading is completed.

RAILROADS AND SHIPPERS

elasticity. The bulkhead gives with impact just as the wing of an airliner does, without permanent distortion or "set."

VIRTUALLY ELIMINATES DAMAGE. DF-B equipped cars handle lading with the famous Evans "Kid Glove Treatment."® Railroads save money on damage claims . . . replacement of damaged consignments by shippers is cut to a minimum.

COSTS SHIPPERS NOTHING EXTRA. Shippers pay no extra charge for the use of DF-B equipped cars. Railroads have discovered that Evans-equipped cars create more business, bring in more revenue per year than common cars. And shippers can load cars to capacity—safely!

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Evans loading engineers are located coast to coast to help you cut shipping damage—an exclusive service from Evans.

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right back into force. The railroads must publish their rates, they must charge the same to all customers—and if they want to lower the charges they must serve public notice and then wait a month for somebody to protest. If there is a protest—as there frequently is—there is an additional indeterminate wait while the ICC holds hearings. Meanwhile their waterway competitors keep the business, charging whatever the traffic will bear.

How important are bulk commodities to the water carriers? They add up to *ninety* per cent of the tonnage hauled on our waterways. In other words the law regulating our barges and towboats is so written that it applies to only ten per cent of what they carry!

But the barge operators were not the only ones standing in line when Congress passed out the sunshine of its understanding. Five years earlier, when the motor carrier section was enacted, there was included a similar exemption, this one for trucks carrying agricultural products. Though it is clear that Congress intended this provision only to protect the farmer in the movement of his produce off the farm to his so-called "first market," the wording was so loose—and the court interpretations have been so liberal ever since—that today trucks haul such items as poultry from the farm to the processing plant and from the processing plant into the big-city markets *totally free of government regulation*. Again, take the poultry out of the truck and put it in a railroad car, and all the laws immediately go into effect.

How can a railroad compete against the service described in the following advertisement from the Grand Forks, N. D., Herald: "POTATO SHIPPERS. We have trucks returning empty from Grand Forks to Chicago and the St. Louis area daily. Fast insured transportation. SET YOUR OWN RATE. Bob Jenkins Truck Lines, Box 430, Charles City, Ia." The answer is, they cannot compete. The New Haven has lost almost all its fish traffic out of Boston—formerly 45 carloads a day—and its cranberry tonnage from Cape Cod. The Milwaukee's fresh-meat and packinghouse-products haulage to the state of Washington went down 81% between 1954 and 1956. Railroads now haul only one out of ten cattle and hogs to market, virtually no eggs; their fresh fruit and vegetable traffic has been cut in half since the war.

These two exemptions are typical of many inequities in the laws. In fact, the loopholes are woven so finely into the law's fabric that violators move through them like water through a sieve. "Proof, if any be needed, that our present regulation is unsound can be found in the wholesale evasion of regulation by otherwise law-abiding citizens. Only the Prohibition Act and such blue laws as forbid a man to kiss his wife on Sunday have been so generally flouted," says the Doyle study. During a seven-day period in June 1960 the National Conference of State Transportation Specialists conducted a round-the-clock, 18-state check of highway truck traffic and came to the conclusion that "conservatively speaking" one out of four trucks was breaking the transportation law.

Effects—and Remedy

That, then, is the picture our transportation industry presents today—a large number of Federal and state agencies conflicting with one another as they try to govern the different modes of transportation under different philosophies and under a set of laws that guarantees injustice and invites violation. What are the effects of all this on our economy?

The first effect is to make it impossible to gage the actual economic efficiency of any one method of transportation. It is like comparing apples and oranges. A cranberry shipper on Cape Cod may be getting a bargain when he can dicker with a trucker for a lower-than-railroad rate to get his produce to New York. But it is tax-supported subsidies and a competitive edge created out of thin air by the law that give him the bargain. The important question is, is the nation as a whole getting a bargain? The answer is no. "There is no great room for doubt," says the above-mentioned Commerce Department study, "that, were all traffic distributed in accordance with the *true comparative advantage of the several forms of transport*, the annual transportation bill would be reduced by several billions of dollars on freight alone."

Or, in the words of the Rockefeller report, "The extent to which the transportation industry is performing services either below cost or excessively above cost is a matter of major economic concern." In other words, our economy simply can't afford to waste billions every year paying transportation bills that don't make over-all sense.

Nor can we afford the second effect of our transportation mess: the gradual shriveling up of our common carrier system. This is the real crux of this "second major crisis in our transportation history." For common carriers are the basis of our economy. They are by law required to haul anything haulable, from any point of their system to any other point, for any shipper, at the same publicly announced and government-regulated rate for all customers. Common carriage is the shipping service for the general public; without it you and I—every individual and business—would either have to own or lease our own transportation facilities whenever we wanted to have something hauled.

Today the only true common carrier —100 per cent regulated and unsubsidized—is the railroads. Nine-tenths of our water carriers and two out of every three long-haul trucks you see on the road are exempt from all but safety regulations. Both the railroads and common carriage are declining rapidly. In 1930 the railroads hauled 75% of our intercity freight; last year they hauled 44%. Present trends indicate that this decline will continue as long as the chaos of conflicting laws and agencies keeps them at a competitive disadvantage.

Last year the railroads earned only two-tenths of a per cent more on their investment than they earned during the depression. The first four months of this year they took a net loss. We are face-to-face with the bankruptcy of our railroads, and with it of our common carrier system. That, very simply, is the crisis.

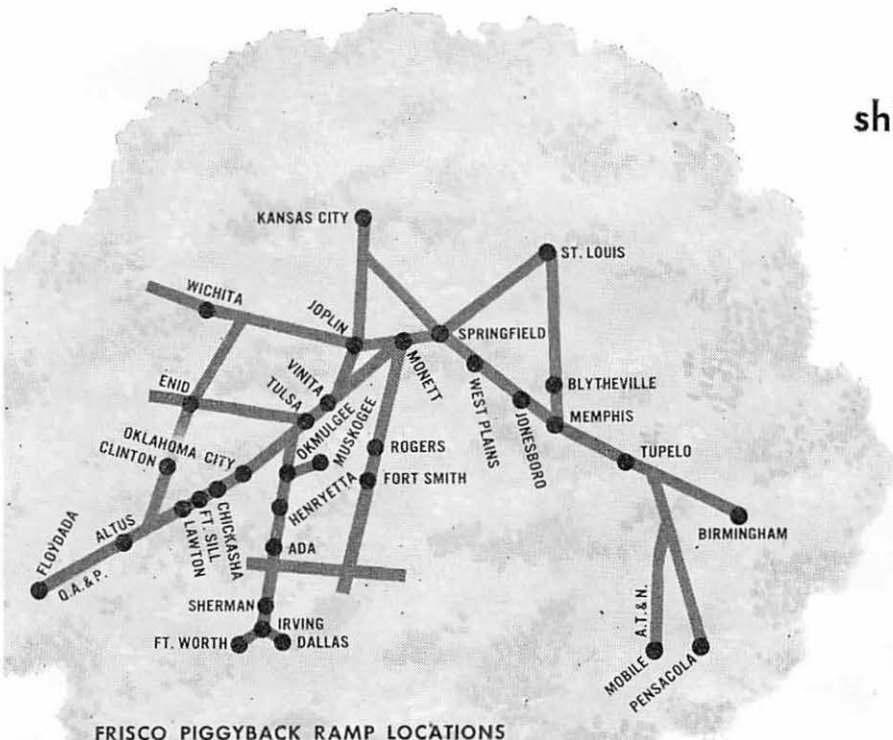
We can avoid this crisis, but we have to work fast. The Democratic party platform in the last election called for the achievement of maximum efficiency in transport, and there is no secret about how to get it.

First we must put transportation's legal framework in order by removing from the present laws the bulk-commodity and agricultural-commodity exemptions and the many other similar anachronisms, absurdities and inequities that tie one form of transportation to the floor while giving a green light to others.

Second, we must do what every objective student of the problem has been calling for since the 1920's. We must coordinate the system by giving over-all responsibility for it to one agency. Some recommendations have favored a Cabinet-level Secretary of Transportation; some have been for gathering in the reins at a lower level. There are valid disagreements as to which would be preferable, and these differences need public airing. But there can be no valid disagreement that we must pull the system together and give it unified direction.

If we don't pull it together there is not the slightest doubt that it will very soon begin to fall apart, piece by piece.

FRISCO PIGGYBACK IS GROWING...GROWING...GROWING!



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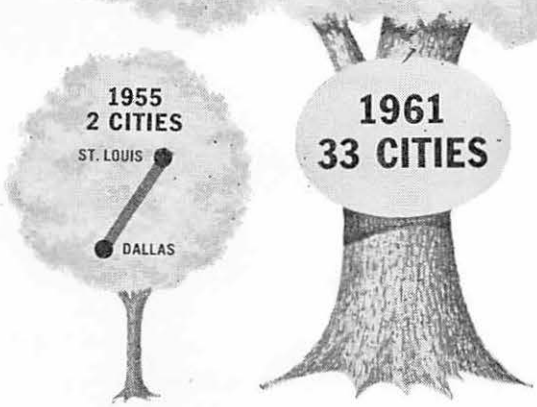
FRISCO PIGGYBACK is now serving 33 markets with modern ramp facilities. Substitute service extends your lines of transport to many other points Southeast and Southwest.

Enthusiastic shippers *pick* FRISCO PIGGYBACK because it's the modern way to ship a trailerload by rail. Talk it over with your FRISCO Sales Representative.



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- Interline connections with 29 other Piggyback railroads to most points.

Ask your FRISCO Sales Representative what Piggyback can do for *you*.

SHIP *IT* ON THE FRISCO PIGGYBACK

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MISSOURI • KANSAS • ARKANSAS • OKLAHOMA • TEXAS • TENNESSEE • MISSISSIPPI • ALABAMA • FLORIDA

Locomotive Replacement on the BURLINGTON

The Burlington has retired thirty-six 1350-hp freight locomotives and acquired thirty-six new General Motors 2000-hp GP-20's—turning in 48,600-hp capacity in exchange for 72,000-hp. (a gain of 48%). This added capacity enables the thirty-six new GP-20's to do the work of fifty-four older FT's. The Burlington has also significantly reduced maintenance and operating costs with these new locomotives. This is the essence of the General Motors Locomotive Replacement Plan.

ELECTRO-MOTIVE DIVISION · GENERAL MOTORS

LA GRANGE, ILLINOIS • *HOME OF THE DIESEL LOCOMOTIVE*

In Canada: General Motors Diesel Limited, London, Ontario

GENERAL MOTORS LOCOMOTIVES

Here's how Southern Pacific feels about the future...in 1961 we are spending over

$51,000,000

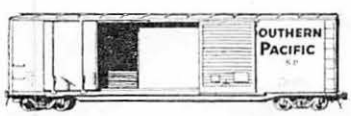
for new railroad cars, locomotives and trucks!

Southern Pacific is spending $51,500,000 this year to buy railroad cars, locomotives and highway freight vehicles — nearly 3,400 units in all. Over half of this tremendous order has already been received. Deliveries have been speeded to stimulate the general economy quickly through this large expenditure.

This latest step in our continuing program to provide better and more efficient transportation service shows how we feel about the future. We think it is proof, too, of our purpose to always go forward and not just "wait and see".

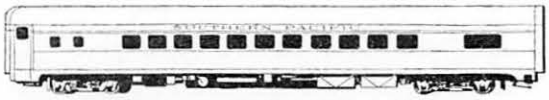
This $51,500,000 is for rolling stock only—to meet the growing needs of industry and agriculture now and in the coming months. We are spending more millions in 1961 for other improvements and for property being developed to attract new industries.

These 1961 purchases, further augmenting S.P.'s 85,000-car freight fleet, include the following:

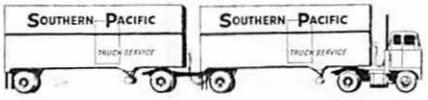


2,233 FREIGHT CARS, of the most modern types, including special cars for S.P.'s fast-growing Piggyback service... plus 275 multi-level rack carriers for new automobiles.

34 DIESEL LOCOMOTIVES, including three of a unique experimental type.



109 PASSENGER TRAIN CARS. Includes 9 streamlined Chair Cars of type shown.



746 HIGHWAY VEHICLES for S.P.'s extensive trucking services.

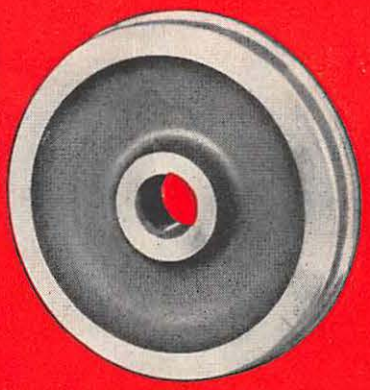
Southern Pacific

Serving the Golden Empire with
TRAINS • TRUCKS • PIGGYBACK • PIPELINES

TRAILER TRAIN

piggyback cars get

high wheel mileage

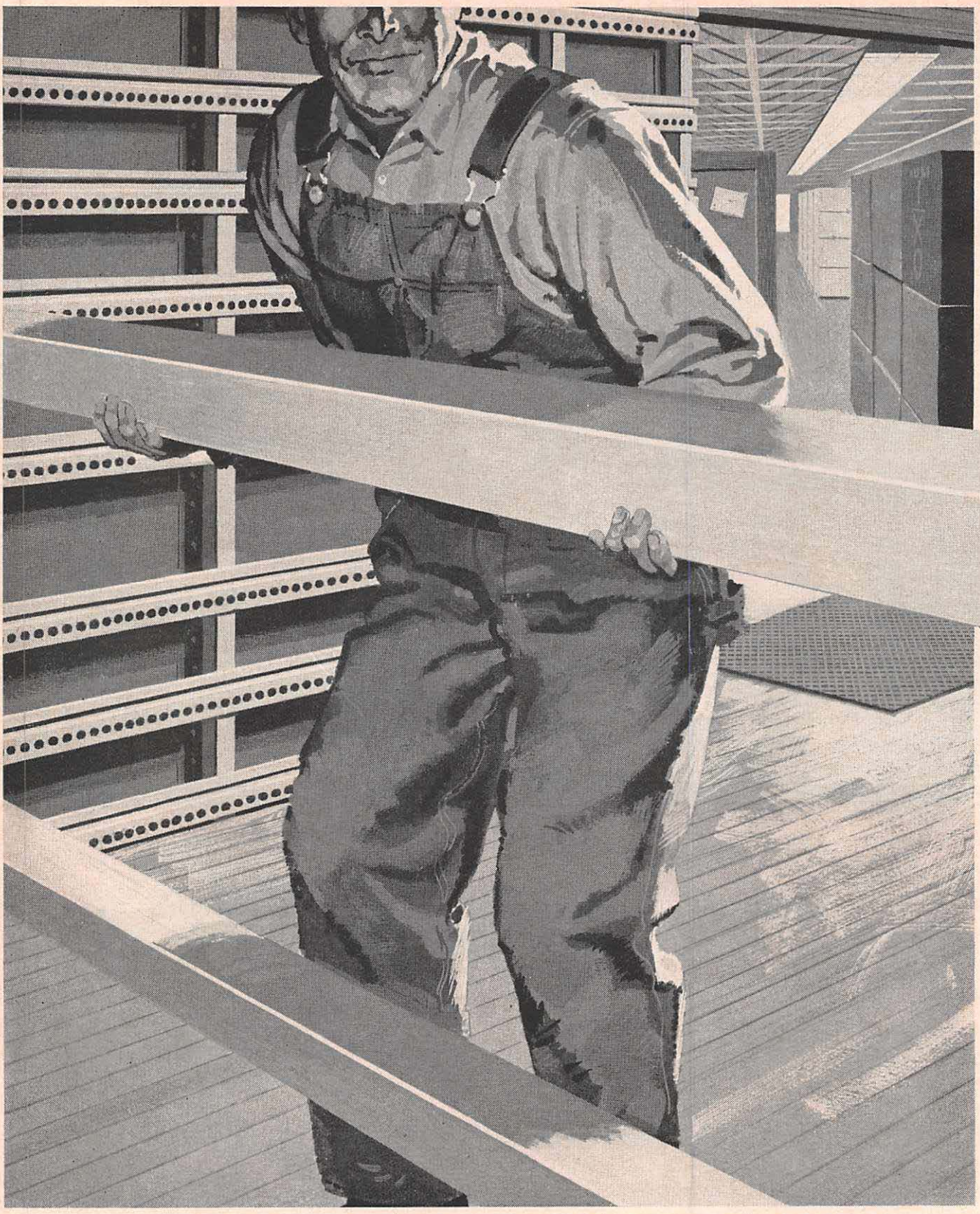


with Edgewater rolled-steel multiple-wear wheels

Edgewater multiple-wear wheels provide outstanding performance. Forged from solid steel blocks and rolled on the world's most-powerful wheel rolling mill, they have the dense, uniform grain structure that assures dependable service under heavy loads and high speeds. Their long life enables the user to take full advantage of the reduced maintenance costs offered by roller bearings.

We will be glad to give you facts and figures on the savings possible through the use of Edgewater multiple-wear wheels.

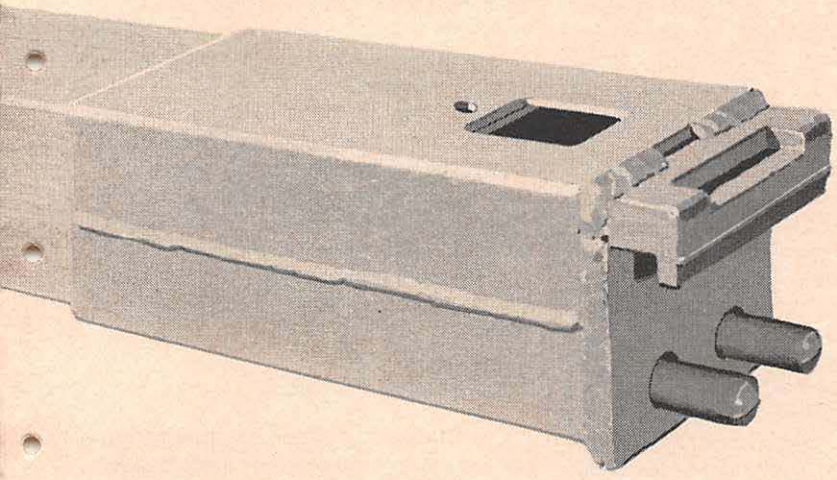
EDGEWATER STEEL COMPANY
P.O. Box 478 Pittsburgh 30, Pa.



HERE'S WHERE ALCOA ALUMINUM CAN SAVE YOU MONEY

Boxcar doors, roofs
Refrigerator car racks, floors, doors, ducts
Hopper car bodies
Passenger car bodies, interior appointments
Journal bearings
Locomotive engine bearings
Signs and crossbucks
Aluminum paint for all structures
Yard and station buildings
Highway railings
Chain link fence
Signal towers
Electrical cable
Piggyback containers and loading equipment

RAILROADS SAVE MONEY— IMPROVE SERVICE WITH **EVANS DF LOADERS** Made of Alcoa Aluminum



These rugged crossmembers weigh an average of only 40 lb each as opposed to 70 lb for conventional wood and steel units. One man can handle them easily. They fit quickly into belt rails in the sides of boxcars and reefers.

Made from strong, hollow Alcoa® Aluminum Extrusions, each crossmember can retain a load up to 6,000 lb. And, easily repaired aluminum bars require no costly replacement parts . . . can be straightened again and again.

With Evans DF* Loaders you do away with all the trouble and expense of conventional dunnage. Under normal conditions, 26 Evans DF Aluminum Crossmembers can handle same lading as 40 conventional crossmembers. You load the car quickly, and you know the shipment will arrive undamaged. Mixed shipments are simple; you build strong bulkheads quickly and easily.

Several railroads have standardized on Evans-equipped cars because dependable Alcoa Aluminum crossmembers are always in service. Shippers know that full-capacity loads can be realized because one car can handle a variety of sizes and shapes — fragile and bulky items.

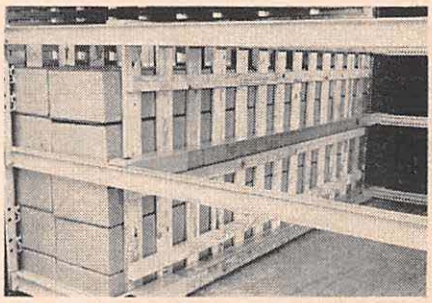
This is one more example of how Alcoa Aluminum serves modern railroads today. Alcoa has been working with railroads since 1890. Write us for more information on Alcoa Aluminum for crossmembers, boxcar doors and roofs, hopper cars, refrigerator car racks and floors.

Aluminum Company of America, 1772-G Alcoa Building, Pittsburgh 19, Pennsylvania.

* DF is a registered trademark of Evans Products Company

Load is secured with Evans aluminum crossmembers placed against the lading and locked into car side belts.

Slipproof locking device in each end of crossmember is quickly locked or unlocked by one man.



Loads can be separated by placing crossmembers against deck boards . . . doorway area can be used as readily as rest of car.

Aluminum crossmembers weighing only 40 lb are easily handled by one man . . . are splinterproof for safer handling.

ALCOA ALUMINUM

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San Francisco to Get Transit

► **The Story at a Glance: Early in August, supervisors of the five counties surrounding San Francisco will get detailed engineering and financial plans for a 120-mile rapid transit system. The supervisors are to hold public hearings and complete their appraisal of the plans within six months. If they agree this is the system they want, a referendum will be presented to the voters next June for approval of a bond issue. If the voters approve, construction can begin by the end of 1963 on a schedule calling for first operation in 1966 and completion of the whole system by the end of 1972.**

Financial experts have determined that the proposed regional rapid transit system of the San Francisco Bay Area Rapid Transit District (BARTD) calling for five high-speed interurban lines extending from San Francisco and Oakland is fiscally feasible. Their report recommends that:

● The bulk of capital costs, $1,078,000,000, should be financed through 40-year general obligation bonds. This would cost the owner of a home assessed at $4,000 (market value $16,000) about $28 a year. (But Adrien J. Falk, president of BARTD, said recently that the transit-riding commuter who formerly used his auto will save from $25 to $50 annually in car insurance.)

● The Transbay tube between San Francisco and Oakland, $133,000,000, should be financed through automobile tolls from the Bay Bridge. Legislation earmarking surplus tolls for this use has already been enacted by the state legislature. This "diversion" of highway funds was supported by, among others, the Automobile Club of Northern California and the Standard Oil Co. of California.

● Rolling stock, $149,000,000, should be financed by revenue bonds. Revenues also will cover all operating and maintenance expenses.

This financial report was prepared by Smith, Barney & Co., of New York, and refined by Stone & Youngberg, of San Francisco. It supports engineering plans prepared under direction of Keneth M. Hoover, BARTD chief engineer; by the District's principal consultants, Parsons, Brinkerhoff, Quade & Douglas of New York, and Tudor Engineering Co., and the Bechtel Corp. of San Francisco.

The financial report and engineering plans are being submitted to supervisors of the five counties involved, who will hold public hearings on the proposed system. Last fall, tentative physical plans were submitted to every board of supervisors and city council in the Bay Area for study and recommendations. Alternate routes and station locations were discussed. It was thus hoped to overcome major objections either by explaining thoroughly the reasons for the choice or accommodating the desired changes, before the formal presentation to the supervisors.

The supervisors are to report on the outcome of the hearings within six months. If their report is favorable, the matter of the bond issue can be placed on the ballot in the June 1962 primary. An affirmative vote of 60% of total vote (not in each county) is required to pass the referendum.

Obtaining public opinion on the proposals is in line with the remarkable public relations job the District has been doing right along. From the time the commission (predecessor to the District) was first established in 1951, it has recognized that it was of paramount importance to keep the public not only informed, but interested, if such a project was to have any chance of success. To this end, first, a public relations firm, and now the District's own PR staff, have steadily supplied newspapers and magazines with information releases.

State law forbids urging the public to vote "yes" on a bond issue. It will be up to citizens' groups to do the hard selling needed to convince voters of the proposal's worth. A BARTD representative admits it's a "lot of money" but thinks there's "generally a positive tone in favor of the plans."

Five Routes Planned

In establishing financial justification the following assumptions were made: no competition, existing or new, to be allowed; operating agency to have the sole responsibility for setting fares; the system to be in no way taxed by any political body; no adverse legislation affecting use, operation, or condition of the system to be enacted; vehicular tolls on bridges not be reduced; no charge by bridge authorities for use of their facilities beyond initial capital costs; and highway planning to be complementary to and not destructive of the rapid transit system.

The plan calls for rapid transit as a regional (not local or urban) arterial system operating along mainline channels to connect to the two principal centers at their hearts. Stations there will deliver travelers directly to their primary business, shopping or cultural destinations. At outlying stations, interurban transit will depend on local transit or private automobiles for the feeder service it cannot economically perform for itself. These outlying stations, with platforms 700 ft long, must provide parking for at least 10% of the expected patronage, standing space for cars waiting for passengers, multiple entrances, access to local transit, and perhaps even bicycle racks. Parking facilities will not be provided at

WHAT IS A RAPID TRANSIT DISTRICT?

In 1957, the California Legislature authorized establishment of the San Francisco Bay Area Rapid Transit District as a political subdivision of the state of California. In many respects, particularly in freedom of action, it is like a toll road or transit *authority*. But the *District* requires approval of the voters for its establishment, avoiding one major criticism of an authority. Most important, the District has the power to tax, to condemn property, and to issue bonds on the faith and credit of the area, whereas an authority can borrow money only through revenue bonds.

As now comprised, the BARTD includes the five counties surrounding San Francisco Bay: Alameda, Contra Costa, Marin, San Francisco and San Mateo. Provision is made for annexation of four additional counties when they agree to join.

The 16-member board of directors is apportioned by population and appointed by the boards of supervisors and mayors in each of the counties. BARTD is supported by a uniform property tax of 5¢ per $100 valuation, bringing in about $2.5 million per year. Its borrowing capacity, limited to 15% of assessed valuation, is now about $700 million, but this will rise automatically with growth of the area.

Proposals

stations in the main centers. The initial lines will terminate just past an area of fairly intense urbanization, at a point where a station will eventually be needed anyway, to prevent congestion in the community's center. This will encourage growth where there is adequate space for expansion.

Unlike the sprawling Los Angeles area, the mountains, sea, and bay have forced the population centers of the Bay area into linear corridors, making the area ideally suited for rapid transit lines. Five routes are planned along these corridors:

- The Peninsula line—south from San Francisco, through Daly City and San Mateo to Palo Alto. A later extension is contemplated to San Jose.
- The Marin line—north from San Francisco, over the Golden Gate Bridge and through San Rafael to Santa Venetia. An extension, with right-of-way to be acquired now, to Ignacio is planned.
- The Transbay - Concord line—east from San Francisco, under San Francisco Bay in a two-track tube, through Oakland, through the Berkeley Hills in a two-mile tunnel (which crosses the Haywards earthquake fault), to Concord.
- The Richmond line—north from Oakland to Richmond.
- The Fremont line—south from Oakland to Fremont, later to be extended to San Jose.

These will operate as three lines, through service being provided from Concord through Oakland and San Francisco to Palo Alto, and from Richmond to Fremont.

All of these routes will follow railroad rights-of-way to some extent; ironically much of the mileage would be on former electric interurban routes. Rights-of-way of the Northwestern Pacific, the Sacramento Northern, the Southern Pacific (presently operating the only rail commuter service in the area), the Western Pacific, the Santa Fe, and San Francisco Municipal Railways will be followed.

The biggest single project in the system will be the four-mile Transbay tube. Until 1958 the Key Lines operated electric cars over the Bay Bridge, and use of these tracks for the rapid transit line was considered. However, the bridge provides poor delivery in San Francisco and worse delivery in Oakland. It restricted train speeds to 30 mph, and the route is 3½ miles longer. It would take 22 minutes to make the trip from downtown San

Francisco to downtown Oakland via bridge, instead of eight minutes via tube.

A deciding factor was the urgency for another Bay highway crossing, due to automobile congestion on the Bay Bridge. It was agreed that the rails would be removed from the bridge to provide an early increase in vehicular capacity. In return, the state highway department would use surplus tolls from the bridge (now paid for) to design and construct a Transbay transit tube. Thus, the BARTD has assured financing of its largest single project.

The effect of earthquakes has been given considerable thought in all phases of structural work. The earthquake hazard of the area will not seriously affect the tube, since it will lie in soft mud.

The Berkeley Hills tunnel (Concord line), however, must cross the Haywards fault, the only line that will cross a fault. The tunnel can be designed so damage will be minor, except at the fault line. Possible temporary loss of the tunnel must be accepted.

Subway construction will be required in the downtown sections of San Francisco and Oakland. Parts of both subways will be two-level, four-track affairs: in Oakland where the East Bay and the Transbay-Concord lines follow the same route; in San Francisco where the Transbay-Peninsula line will be on the lower level with street railway cars on the upper. Earlier it was proposed that the Peninsula line run close to the Bay shore from downtown San Francisco, with a separate rapid transit line following the present streetcar route, then on to Daly City. However, by putting the streetcars in the Market street subway, only a very few minutes are lost over the rapid transit operation, and more diversified passenger pick-up and much lower cost are obtained. The cut-and-cover method will be used to dig the subways.

Completed engineering studies indicate rapid transit tracks can be put on a new lower deck of the Golden Gate Bridge without substantially affecting either appearance or stability. At present, the Golden Gate Bridge Authority is having its own engineer check the plans, and final approval for the tracks has not been given.

The elevated structures would follow AREA specifications and the cross section would generally take the form of a "T." Side parapets would be included in the supported train structure to reduce noise. Either all prestressed concrete, or steel with concrete floor slab construction, would be used. Concrete costs exceed that of steel by 4%, but maintenance and painting of the steel structure would soon absorb the difference.

Standard Cars Preferred

Since the contemplated system relates in no way to existing facilities, the consultants were told by the BARTD to come up with the best vehicle without regard to existing practices. The vehicle recommended is a lightweight (38-ton) 68-ft car, seating 76 passengers, with two standard-gage four-wheel trucks and steel wheels on steel rails. About 950 cars would be needed for the complete initial routes, with first, partial, order to be placed in 1965. Propulsion would be from 600v DC third rail supply to a 150-hp motor on each axle. Cars would have dynamic braking. This is the only system to which the BARTD could irrevocably commit itself in advance of actual physical tests. All alternates, including suspended systems, supported system with rubber tires, and AC propulsion would require a program of test and development. None of these is excluded at this time, however.

Either supported or suspended systems would have a top speed capability of 80 mph and an acceleration of 3 mphps, to maintain an average speed of 50 mph, including 20-second stops at stations averaging 2½ miles apart. A streamlined train-end car with controls would be on each end of the train for esthetic purposes. Also, removable "nose cones" are being considered to attain the same effect. Air conditioning is not necessary due to the climate in the Bay area.

Consulting engineers Gibbs & Hill, asked to evaluate the use of AC power, reported that a 2300v, three-phase AC system, using squirrel cage induction motor, torque converters, and mechanical brakes, would be feasible. It would permit a $300,000 reduction per mile in electrical distribution costs, resulting in a saving of $37 million for the system. These potential savings may justify development, test, and evaluation of such equipment. Otherwise, the plans call for AC-to-DC substations drawing their power from the area's power network, and located at intervals such that only the third and running rails would be needed for propulsion power (no additional feeders).

Though given wide latitude in design, the aircraft companies submitting proposals derived designs similar to the basic supported steel wheeled car described. Convair, for example, by using airframe techniques, came up with a 58-ft 43,200-lb car. To gain necessary cross wind stability, a gage of 75 in. was recommended.

Rubber tires have been considered for the vehicles. Convair downrated them on the basis of extra cost. The consultants thought that rubber tires would have no significant influence on structure or vehicle cost, but that operating costs would be higher. Flanged steel wheels would be required for stand-by, in case of a deflation, so that schedule speeds could be maintained. Further, steel-wheel, steel-rail systems can now be made as quiet as rubber tired systems.

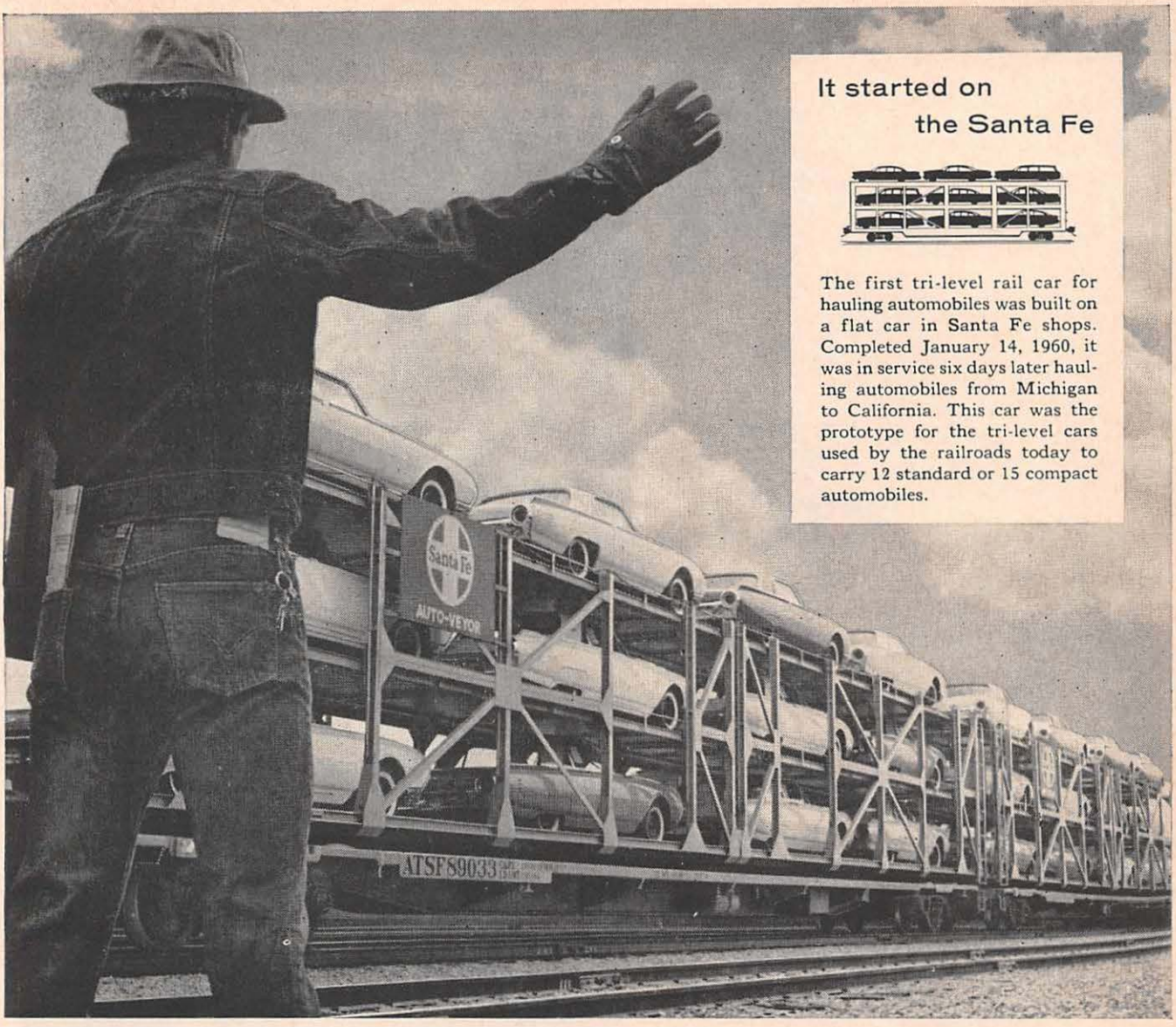
(*Continued on page 44*)

SUPPORTED CARS VS. SUSPENDED CARS

At this time, BARTD is not committed either to a conventional two-rail supported car system—though it is preferred—or to a suspended car.

The true monorail, meaning suspension from a single rail, has been ruled out because there appears to be no practical way to dampen car sway. So has the Alweg single-rail supported system, because of low car capacity, and problems with train doors. However, suspending the car from an overhead four-wheel truck running on a narrow-gage track has been considered and is believed to have a number of good points. The track would be contained within a box girder with a slot in the bottom. The girder would completely surround the track, giving excellent noise suppression (when the interior of the girder is coated with a sound absorber) and provide a track protected from weather. The slimmer, higher trackway obstructs less light from above and reflects less traffic noise from below. The absence of structure between 70-mph trains and street traffic is considered detrimental.

Neither the supported nor suspended system is intrinsically superior with respect to speed, comfort or safety. The suspended system would require a $5-million test program that would not be necessary for the proved components of the supported system. Aerial structures would cost about the same for both, but tunnel construction would be slightly more costly for the suspended system. A major factor weighing against the suspended system is that when appropriate rights of way are available, a supported train can run on the ground, eliminating the need for structures.



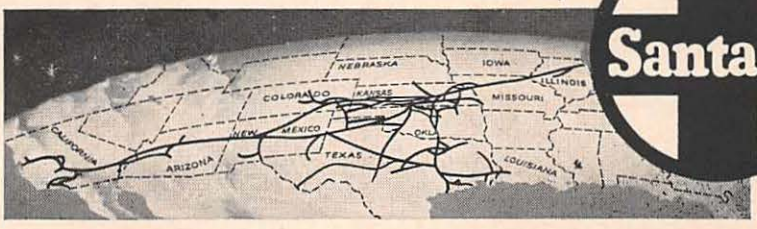
It started on
the Santa Fe

The first tri-level rail car for hauling automobiles was built on a flat car in Santa Fe shops. Completed January 14, 1960, it was in service six days later hauling automobiles from Michigan to California. This car was the prototype for the tri-level cars used by the railroads today to carry 12 standard or 15 compact automobiles.

New autos—delivered "3 deep"

To make it more economical to deliver new automobiles from factory to markets, Santa Fe has a fleet of 202 triple-deck and 44 double-deck new Auto-Veyor cars in service—and 100 more on order. Each triple-deck car has a capacity of 15 compact or 12 standard autos; each double-deck car hauls an average of 10 larger-type vehicles. This new addition to the Santa Fe fleet is another example of how Santa Fe is helping to meet the transportation needs of a growing America.

The railroad that is always on the move toward a better way



Santa Fe

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SANTA FE SYSTEM LINES

J. T. SUGGS
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THE TEXAS T AND P PACIFIC RAILWAY

..."Railway Age provides top news coverage about the railroads. Of even greater benefit to our industry, it is an able and appreciated analyst of rail developments, problems and progress."

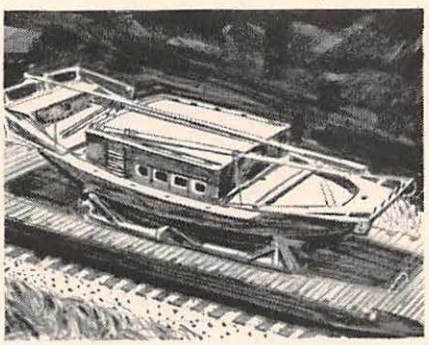
J. T. Suggs

How far can a little girl travel without a friend?

Not very far. And she *doesn't* travel far without a friend—on the Vista-Dome North Coast Limited.

Her friend's name is "Sue"—the stewardess-nurse on board this magnificent Northern Pacific train (the only train in the Northwest that offers stewardess-nurse service).

"Sue's" a registered nurse with a special talent for making passengers comfortable. Her thoughtful attentions to travellers of every age contribute unforgettably to the pleasures of the trip. And her "glad to have you aboard" spirit is the spirit of the entire crew of this most unusual train.



NP looks after its shippers, too (like the mayor of Saugatuck, Michigan, who recently shipped this Chinese junk across the country from Seattle). A continuing program to build NP's customized freight fleet means the right car for the need—on NP!

NP passenger service (now boasting low-cost, all-room Slumbercoaches) is attracting many travellers to the safety and dependability of the train. And this strong, progressive railroad is attracting shippers, too, with the service they have every right to expect.

"NORTHWEST ADVENTURE," colorful brochure, tells about NP's famous transcontinental passenger train and the territory it serves. Ask for free copy. Northern Pacific Railway, Room 910, St. Paul 1, Minnesota.

NORTHERN PACIFIC RAILWAY *Route of the Vista-Dome North Coast Limited*

New Trends in Car Design

► **The Story at a Glance: Car builders are currently designing, and railroads are testing, new and better freight cars at what is probably an unprecedented rate. Their joint activity brings with it both promises and problems. Foremost of the promises are the traffic-attracting and cost-cutting possibilities which the new cars seem to offer. Biggest problem—with perhaps one technical exception—is how to get the money to buy enough of the new cars.**

"Never before have there been, in so short a period, so many improvements in freight cars as in the past 18 months," says a railway supply industry spokesman.

There is good evidence to support such a statement. New cars, bigger cars and better cars have been rolling out of shops (or off of drawing boards) in a steady stream that seems all the more remarkable against the 1960-61 background of depressed business activity and unsatisfactorily low rail traffic and earnings.

Some of the cars are essentially new, like most of those pictured on the pages which follow. Necessarily, of course, they are compatible with existing equipment to the extent required for purposes of train operation, but many of them represent major departures from tradition in body design, in components, in material or in intended use.

Other cars, like the Norfolk & Western's 85-ton H-11 hoppers or the Delaware & Hudson's 300-ton flat, are essentially bigger versions of types long considered standard. Usually, however, they too incorporate some refinements in design to provide for higher payload in relation to tare weight or lower future maintenance costs.

The third group covers cars which are primarily better versions of standard types. These, in most cases, provide little or no increase in carrying capacity, but include numerous refinements in design, such as better floors and linings, lading strap anchors, wide or plug doors, cushion underframes, rubber draft gear, ride control trucks, roller or other modernized bearings and the like. Included in this group are the high-quality (and high-cost) box cars put into service to at least a limited extent by any number of railroads, and the new refrigerator cars being built, for example, for Pacific Fruit Express, with improved insulation and the latest in mechanical cooling systems.

Development of these new, bigger and better cars foreshadows both problems and promises for the railroads and their customers alike.

For shippers, it's an unqualified promise—of better and more efficient cars, which will be easier, cheaper and faster to load and unload; will carry freight with less loss and damage; will be better suited to the particular shipping characteristics of specific commodities; will cut transportation bills by permitting wider application of reduced incentive rates for heavy loading. The only visible problem which the new cars seem likely to impose on shippers is the possible necessity of revising some distribution patterns to take advantage of lower rates for heavier loads. That's a problem which it's safe to say shippers will gladly face.

To the railroad traffic salesman, the new and better cars are a promise also —a promise of better equipment for providing the service the salesman has to sell, and of greater opportunity to offer his customers traffic-attracting incentive rates for larger shipments.

The operating man, too, should find promises rather than problems. There's a strong probability, for example, of a higher percentage of car availability, and of fewer train delays because of hot boxes or other car defects, as improved cars such as these come into increasingly general use. Additionally, as the payload ratio increases there is a virtual long-range certainty of better net loads per train—either by hauling more revenue tonnage at current speeds with present power; today's average tonnage with present power but at higher speeds, or present net loads with less power. As an example, Aluminium Limited Sales, Inc., declares that "nine Alcan [aluminum] tank-hopper cars [see front cover] can do the work of 10 conventional cars, and this with less expense because fewer cars must be maintained and moved."

To railroad mechanical and track engineers, however, problems may be paramount. The shop superintendent may be able to show a lower bad order ratio if the better cars prove, in fact, to need less maintenance than their predecessors. But his costs may not drop in proportion, because (at least in some cases) of the added and more complicated equipment to be maintained. He may, in addition, be faced with the need of adopting new tools and new techniques, as aluminum or stainless steel come into wider freight car use, as new draft gear and hydraulic cushioning devices are more widely applied, as more and more damage-preventing or easy-loading accessories are added.

His opposite number in the track maintenance department will have his problems, too, arising principally from increased car wheel loads—and these problems may be unexpectedly serious. Writing in Railway Age last March 6, G. M. Magee, director of engineering research for the Association of American Railroads, pointed out that costs of maintaining track under 100-ton cars might be as much as 80% higher than comparable costs under 50-ton cars. Heavier rail, he pointed out, will not solve the problem. Instead, he suggested that, if traffic and operating factors require continuing increases in car capacity, consideration should be given to use of larger wheels or six-wheel trucks, to keep loads per inch of wheel diameter within the limits which track can safely and economically carry. [Already, 36-in. instead of 33-in. wheels are mandatory on new cars of more than 70 tons' capacity.]

Except for ore and coal lines where high carrying capacity is of primary importance, the problems which Mr. Magee envisages may not reach serious proportions for some time, because, as he also says, "construction of new 90- or 100-ton cars could only be on the basis of a relatively few per year. Only a limited service could be offered with them for several years in the future."

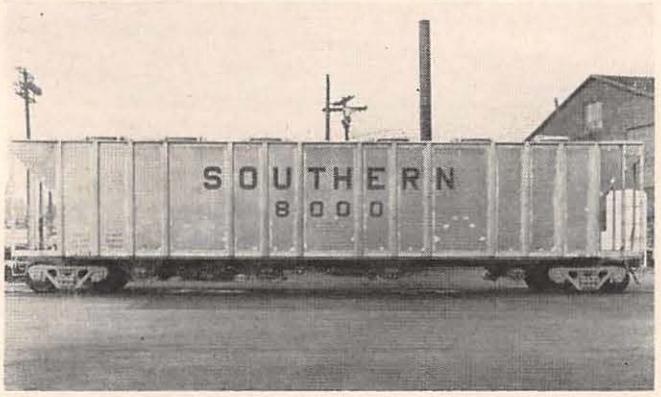
By the same token, "new" car types —built up to now as single prototypes or in limited test numbers—can come into general use only slowly and over an extended period of time. Just about every new freight car built from now on, however, is pretty sure to include some of the "better" features already successfully service-tested.

The one fact of over-riding significance is that, even in a period of unsatisfactory business, railroads and their suppliers are working harder than ever before to upgrade the nation's freight car fleet. Their activity, on balance, holds out far more promises than problems. If realization of those promises, in appreciable measure, is long delayed, the blame won't rest on carriers, on builders or on shippers. It will be traceable directly—and solely—to public policies which keep the railroads an over-regulated, low-profit industry, afflicted with outmoded and unrealistic depreciation rates that present almost insurmountable obstacles to maintenance of any proper program of equipment replacement.

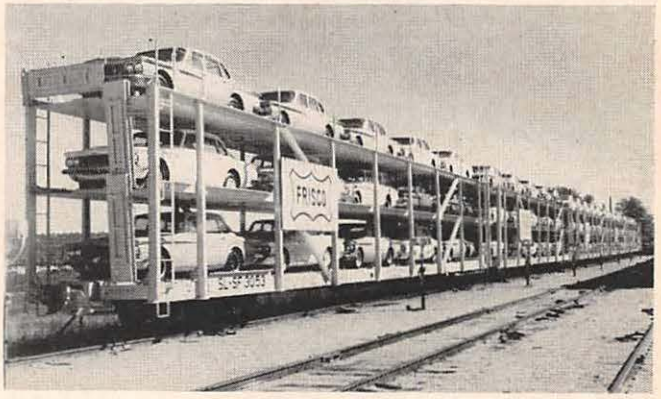
Bring Promises, Problems

"HYDROFRAME 60" is the long-travel cushion underframe developed by Pullman-Standard; it found first wide application on 200 single-sheathed 50-ft box cars built for the Southern. P-S has also turned out a skeletonized container car—a center sill on wheels—which utilizes the same hydraulic-cushioning arrangement.

PHILLIPS PETROLEUM CO. was the first user of 30,300-gallon tank cars built by General American Transportation Corp. These cars—presently the largest of their type—develop extra capacity by using the tank itself as the longitudinal structural member, and extending it down into the space between the trucks.

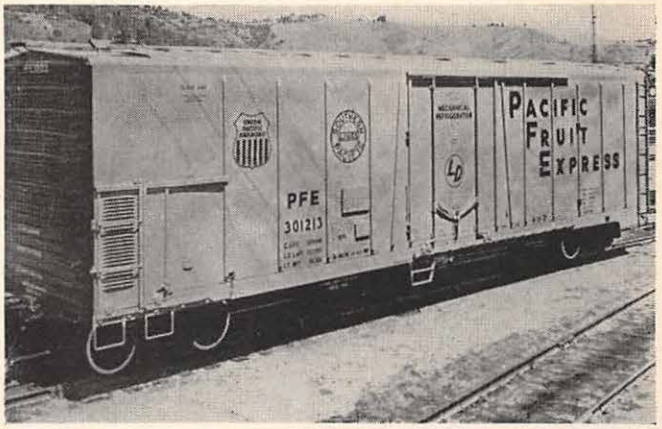


LARGEST LOT OF ALUMINUM CARS ever purchased at one time by one U.S. railroad went into service on the Southern last year. It included 750 gondolas built by Pullman and 455 covered hoppers built by Magor, all with Reynolds aluminum and all capable of carrying payloads of 90 tons or more.



TRI-LEVEL CARS, holding 12 standard or 15 compact automobiles, first went into service early in 1960; have been a major factor in returning a substantial percentage of new auto traffic to the railroads. Similar cars, or rack-equipped flats doing the same job, are now hauling automobiles on many railroads.

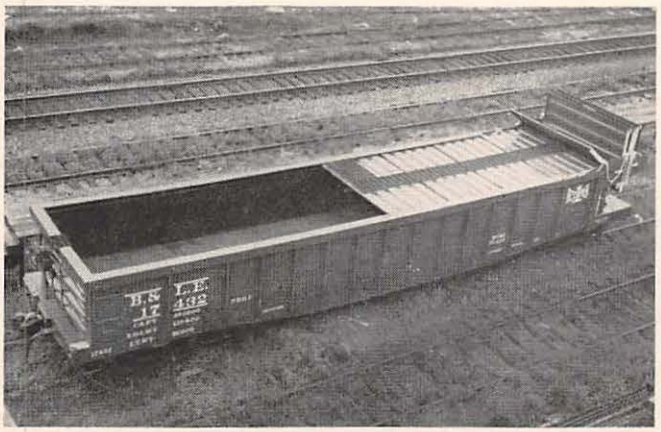
TEAR-DROP SHAPED TANKS serving also as center sills, feature four experimental covered hopper cars built by Marine Industries for the Canadian National and the Roberval & Saguenay to designs developed by CNR and Aluminum Company of Canada. Service results to date are reported to be highly satisfactory.



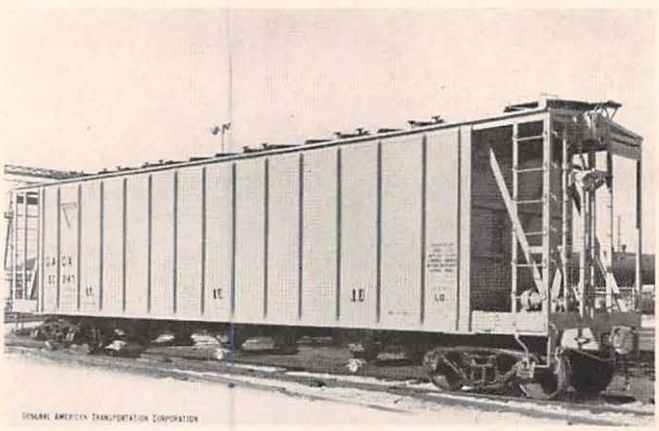
MECHANICAL REFRIGERATOR CARS can hold temperatures between —10 and +70 deg F. Pacific Fruit Express built 1,000 of these cars last year. With 3,174-cu-ft capacity, 122,700-lb load limit, cars are designed to handle frozen foods and non-frozen lading such as fresh fruits and vegetables eastbound; general merchandise westbound.

MORE NEW CARS ON PAGES 42 AND 43 ►

Railroad-Builder-Shipper Cooperation Produces New and Better



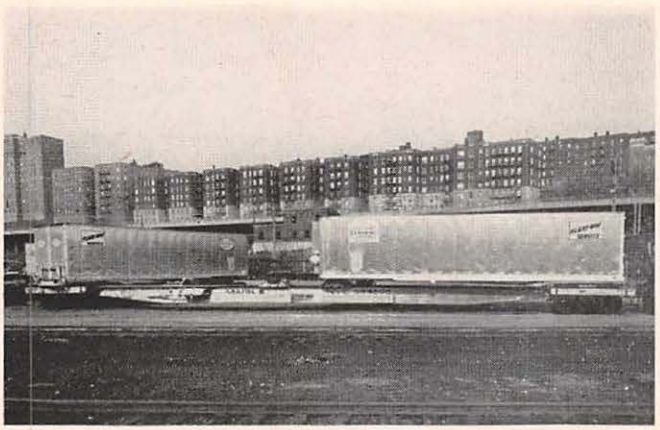
ADDITION of a MacGregor sliding roof converts this conventional Bessemer & Lake Erie open gondola car into a covered car for shipments needing weather protection. Another of many efforts to meet weather-protection needs is a car developed by U. S. Steel and the EJ&E, which concentrates loads under hoods at car ends.



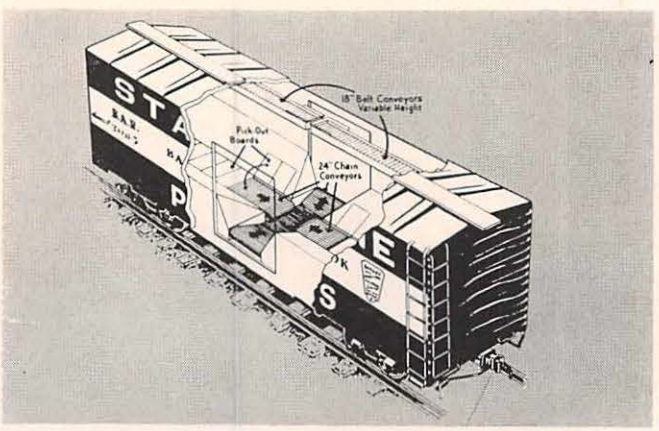
CHEMICAL COMPANIES are likely to be the principal users of General American's Dry-Flo Chem car—a big gateless covered hopper which is designed to be unloaded by suction-type pneumatic conveyor systems. Cars are designed to protect synthetic resins and other chemicals from contamination.

"HOT DOG" TANK CARS holding up to about 30,000 gallons have caught on fast, because they permit railroads to offer shippers attractive rate reductions based on heavier loading per car. The Union Tank Car Co. car illustrated here was one of the first, but has since lost the distinction of being the "largest."

"ROLL-UP SIDES" extend the full length of special lumber cars built by the Southern and also by the Seaboard. Object is to help shippers by facilitating mechanical loading of such hard-to-handle loads as lumber and plywood. As reported on page 49 of this issue, the Southern has just ordered 200 cars of the same general design.



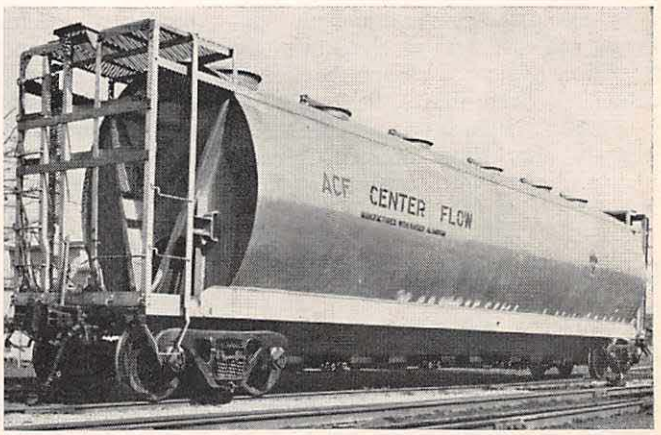
MARK III FLEXI-VAN, recently demonstrated by the New York Central and United States Freight Co., uses a new type of car, with trailer-supporting turntables directly over the trucks instead of some distance away. First models were built by Greenville Steel Car Co. Car carries "king-size" vans; utilizes a new loading concept.



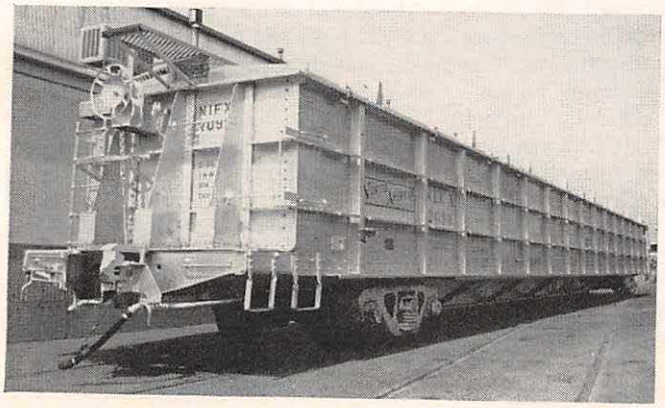
AN "AUTOMATIC POTATO CAR" on the Bangor & Aroostook uses built-in conveyors to facilitate both loading and unloading on a time-saving, damage-cutting basis. It proved so good that the BAR now has a fleet of 50; thinks the same idea is applicable to handling any kind of round fruit or vegetable.

Cars which Give Prospect of Improved Service at Lower Charges

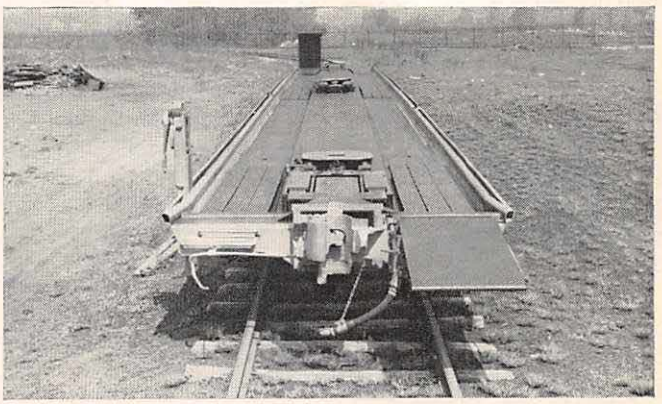
STAINLESS STEEL—U.S. Steel's "Tenelon"—is the basic material in a prototype covered hopper car which went into test service on the Southern Pacific last April. Interior cleanliness and freedom from corrosion are among its anticipated advantages; bulk chemicals and food products its contemplated loads.



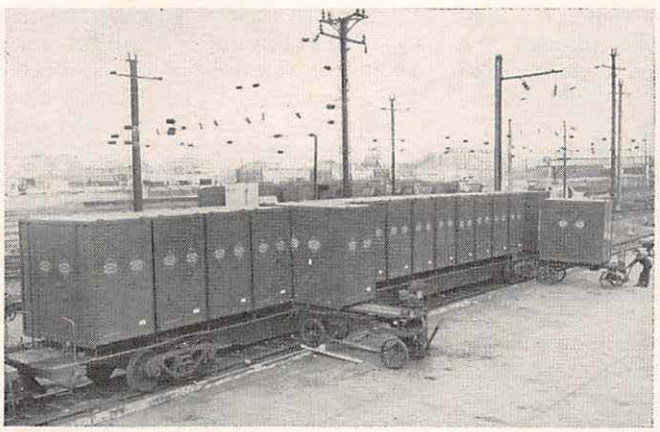
ACF AND KAISER ALUMINUM cooperated in producing a tubular aluminum covered hopper car that "weighs less, costs less and increases the load limit." As in some other new car designs, the 4,000-cu-ft body doubles as a center sill. Kaiser plans to lease 60 of the cars to carry alumina from Louisiana to West Virginia.



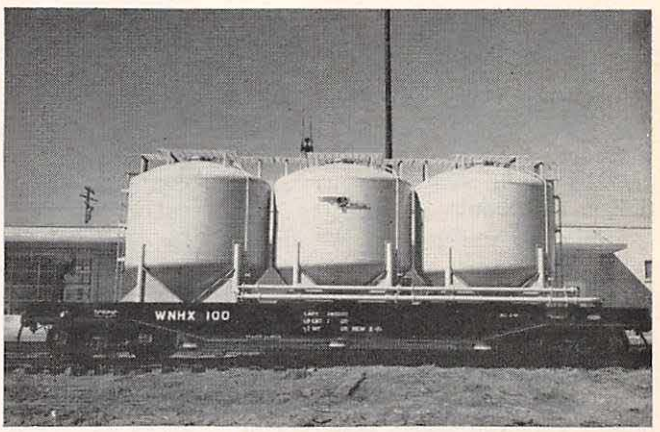
ALL-ALUMINUM 85-ft covered gondola permits weatherproof shipment of structural shapes and other long loads. Experimental unit was built by Harvey Aluminum Co. in cooperation with the Rock Island and North American Car Co. The superstructure, built up of aluminum extrusions, weighs less than 10,000 lb.



"LO-DEK" AND "LO-LEVEL" flat cars were developed by Pullman-Standard and ACF, respectively, as possible steps toward standardization of piggyback equipment. They are designed to carry trailers of all types, as well as containers. As an added bonus, they help TOFC operations in restricted-clearance areas.



RAPID LOADING AND UNLOADING are the key features of cars built by Pullman and General American for an REA Express experiment in passenger-train movement of containerized shipments. The cars and containers are being tested in operation on the Pennsylvania between New York and St. Louis.



TANK-TYPE CAR developed by Halliburton Company and built by Thrall. The special 70-ton car has three 8,000-cu-ft tear-drop tanks piped for pneumatic loading and unloading. Designed for moving materials used in oil well cementing, it has been operated experimentally in handling granular and pelletized products.

SF TRANSIT PROPOSALS (*Continued from page 36*)

Proposals and presentations on lightweight rail cars were received from the Budd Co. (which developed the specification described above), St. Louis Car Co., ACF, Pullman-Standard, Rockwell Co., Lockheed Aircraft, Convair, Ideonics, and North American Aviation.

Operations, Fares, Schedules

Completely automatic operation of trains is contemplated. One "attendant" would be on each train for psychological reasons and to supervise in emergencies. He would take no part in normal operation, but would be able to override the automatic controls to stop a train. He could never speed up a train or even start one (except at terminals, to prove his presence, and following an emergency stop that he initiated). He would ride in the front control compartment, and would have two-way public address communications within the train (a passenger might need him in an emergency), and two-way radio communications with the control dispatcher. A telephone system would be provided for communication between dispatcher, stations, power substations, shops, etc. The automatic operation would be governed by intermittent wayside transmitters or by a continuous wire along the track. A track circuit would be necessary only if it is desired to check for missing or broken rails, and the restricted right-of-way would make this unnecessary, says one report.

Convair advocated use of an "automatic checkout" system for the cars, adapted from aircraft use. This would determine that a car or train 1) would perform at the required level, or 2) would not fail for some predictable period, or 3) have some item fail, and therefore the equipment is not in condition to operate. Convair says the checkout provisions could be integrated into the controls as part of the design, and would add little to costs.

Minimum headways of 90 sec are called for during peak periods, with no interval between trains greater than 15 min between 6 a.m. and 7 p.m. After that, some lines would have 30-min service, with a maximum of 90 min during early morning hours. The object: no timetables. Rapid transit must minimize waiting time for potential riders to attract the automobile driver who is accustomed to traveling when he pleases. A comfortable seat must be provided for each passenger. The 50-mph overall average speed is predicated on meeting the best automobile traveling time. Service to the patron is more important than maintaining a schedule. Once a train departed from a terminal, it would run as fast as possible to the other terminal, accelerating, running, and decelerating at its maximum capability.

Similarly, fares are to be competitive with the out-of-pocket cost for driving a car (gas, oil, tire wear, parking, and tolls). Fares would range from a 25¢ local fare, to 95¢ for a trip from one outlying terminal to another. The San Francisco-Oakland fare would be 35¢. Cash fares would be collected by turnstiles, with the use of credit cards and monthly billing seriously contemplated. A token corresponding to the fare paid would be issued by the entering turnstile which would be inserted in a turnstile to leave the destination station. Fare control would require division of inbound and outbound sides of station platforms.

Proposals and presentations for train control systems were received from General Railway Signal, Union Switch & Signal, General Electric, RCA, IBM, Kellogg Switchboard & Supply, Link and IT&T; for communications systems, from IT&T and Pacific Telephone & Telegraph Co.; and for fare collection systems from General Electric, IBM, Grant Money Meters and Perey Turnstile.

WP Case: SP Supporters Heard

Once SP got its blueprint for Southern Pacific-Western Pacific operating coordinations into the record (RA, July 24, p. 9), the big road called on its own traffic people, officers of other western roads, and "public" witnesses to testify to its side of the clash for control of the strategic WP. ICC Examiner Paul C. Albus, presiding over the hearings which began July 17 in San Francisco, heard pro-SP comments from such as Robert A. Lovett, UP executive committee chairman; J. R. MacAnally, UP vice president—traffic and R. K. Bradford, Rio Grande traffic vice president.

"If Santa Fe were to gain control of WP," UP's chairman declared, "the economic interest of the combined system would put strong pressure on it to solicit traffic over Santa Fe's southern route, which would give the combined system the longer haul. The combination of Santa Fe and WP could not help but damage the central route. We anticipate that WP's traffic through the Salt Lake City gateway would be substantially diminished. It could follow that the effectiveness of the entire WP line would be materially reduced."

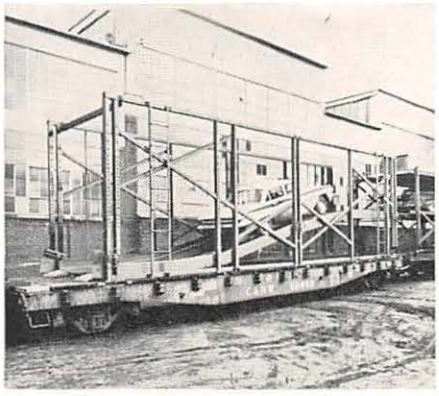
Mr. MacAnally pointed out that in 1960 Utah Gateway traffic accounted for almost 25% of UP's gross freight revenue. Moreover, he said, 80% of the Utah Gateway traffic in which UP participates is traffic "in which our participation depends solely on solicitation, service and cooperation of other participating carriers in providing an acceptable through service." ATSF would have to sacrifice its own service for "substantial mileage to route traffic via WP. This causes us grave apprehension that control of WP by Santa Fe could be detrimental to volume of overhead traffic moving via WP and to UP's continued participation in it."

Rio Grande, Mr. Bradford said, "would prefer independence on the part of WP, but if we must face a controlled WP, we definitely prefer that it rest with SP rather than with Santa Fe. D&RGW, he added, believes both SP and ATSF are "sincere" in their offered stipulations regarding routing of traffic through Salt Lake City—"but Santa Fe between northern California and the East is definitely a competitor of Rio Grande. SP is not."

W. G. Peoples, SP vice president—system freight traffic, placed on the record a 17-item stipulation dealing with traffic matters as they would be handled by WP should SP control be allowed. Seven, he said, are "substantially the same" as those prescribed in the Toledo, Peoria & Western control case; nine are "conditions we have drafted . . . to provide what I consider absolute assurance to connecting rail carriers, as well as the shipping public, that present traffic policies of WP will be continued as they are today."

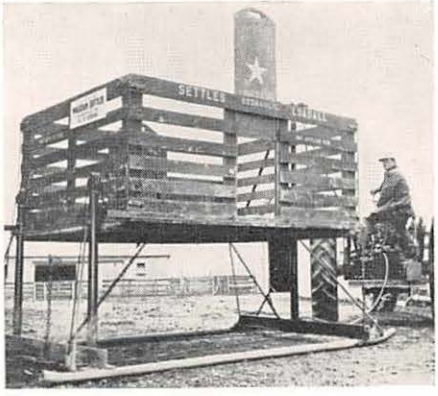
SP estimated that 75 public witnesses would appear in its behalf by the time it completed presentation of its case. An agreement to limit the parade was suggested by Examiner Albus, though additional public witnesses may appear after Santa Fe is afforded equal time to tell its story. The hearings will then adjourn to permit both sides to study the testimony, and will be reconvened at a date to be decided for cross-examination of railroad witnesses. WP will present direct testimony at the reconvened San Francisco hearing, and then Examiner Albus will hear testimony from public witnesses at Los Angeles, Portland, Seattle and Salt Lake City. No date has been set for his return to San Francisco for rebuttal hearings.

NEW PRODUCTS REPORT



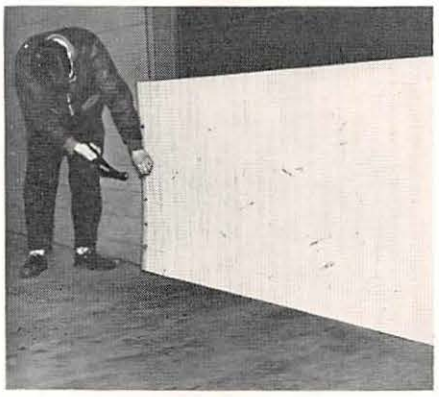
Loading Ramp (RA-1)

A loading-unloading ramp for bi- or tri-level auto racks can be applied to any existing flat car more than 40 ft long. Designed so it can be operated by one man if necessary, the ramp is intended for use with existing tracks and fixed ramps in piggyback yards. The new ramp rides up or down on rollers at its corner and center posts; is raised and lowered by means of four jack screws operating in two pairs. *Dana Corp.*



Hog Loader (RA-2)

The automatic Settles "Loadall" is said to cut hog-loading time by two-thirds and to eliminate the cripples that result from normal ramp-loading methods. Powered by air, steam, mechanical winch or a tractor's conventional hydraulic systems, the loader takes only 10 sec to rise from ground to car-floor level. Model illustrated handles 20 hogs, is mounted on skids for movement to different locations. *Nopco Chemical Co.*



Paper Retainer (RA-3)

An easy-to-install paper retaining strip prevents slippage of rail-shipped products into freight car doorways. Constructed of heavy-duty extensible Kraft paper reinforced with Fiberglas scrim and rovings, the retainers have built-in nailing strips for random nailing to car walls about 6 in. from each side of the door. "Ship-Safe" strips, available for 6 to 10-ft doors in 2 or 3-ft heights, have no steel bands. *Bemis Bro. Bag Co.*

Cargo Loader (RA-4)

A new 8000-lb capacity "Cary-Lift" loader is designed to operate over rough terrain, such as unpaved yard areas. For this purpose, it is equipped with large deep-tread flotation tires. The loader's forks have a maximum elevation of 12 ft, and can be extended 10½ ft forward. This permits it to load cars entirely from one side, or to reach over obstacles to pick up or place a load. *Pettibone Mulliken Corp.*

RAILWAY AGE WEEKLY

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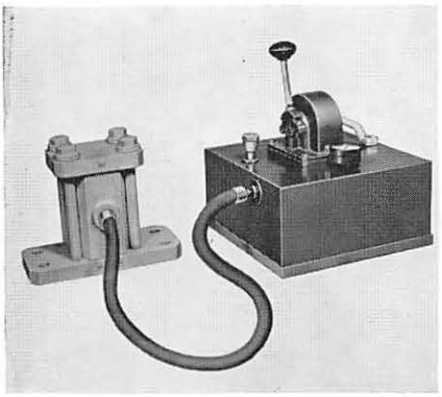
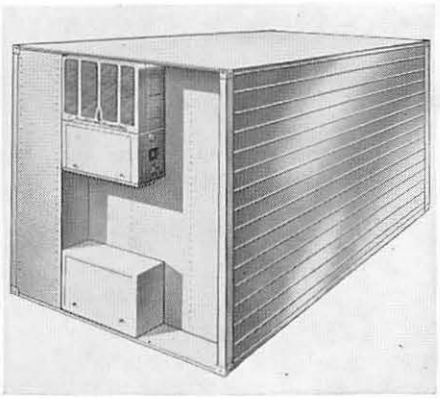


Pneumatic Vibrators (RA-5)

Two new "Vibrajust" pneumatic vibrators have been announced simultaneously with what the manufacturer describes as an "outstanding development" in the "Vibrajust" impact-frequency adapter. The latter (illustrated), easily portable, controls air input to the vibrator to enhance its usefulness and flexibility by adapting its operation to the needs of the equipment which is being used or of the material being controlled. *Branford Co.*

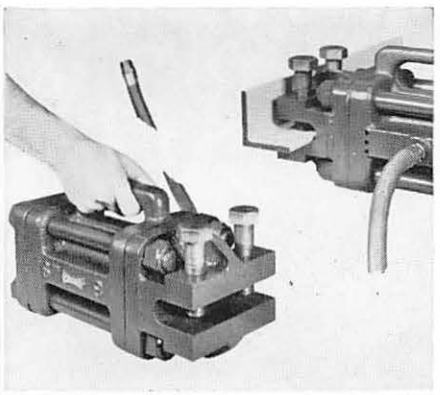


Refrigerated Container (RA-6)

A new development in mechanical refrigeration equipment for insulated cargo containers is designed for fully automatic temperature control down to minus 20 deg. It includes an hermetically sealed compressor and condenser recessed in the front of the container so as to provide maximum cargo space and air circulation. Fan and evaporator assembly are side-mounted to the compressor to eliminate protrusions in the container. *Arctic Traveler.*

Dunnage Bags (RA-7)

Two new "low-profile" sizes have been added to Goodyear's line of inflatable dunnage bags. Of single unit construction without inner bladders, they offer full 9-ft car-width protection, but extend only 2 ft and 2 ft 8 in., respectively, above the floor. They are, thus, especially applicable to shipments (e.g., bricks) where concentrated weight results in a lower-than-normal lading profile. *Goodyear Tire & Rubber Co.*



Radiation Monitor (RA-8)

The pocket-size FH 40-K radiameter makes available to transportation companies a reliable one-piece monitoring device which can: 1) check for leaks or spillage of radioactive contents from containers; 2) indicate extent of radioactive contamination as a personnel safety feature; and 3) ascertain damage or spillage if radioactive material has to be loaded or unloaded in event of accident. *Kahl Scientific Instrument Corp.*

Vibrator Clamp (RA-9)

A new bolt-bite clamp mounts the 3-in. LSF-VG portable air vibrator on small or narrow areas of railroad cars or other objects as small as 2¾ in. deep and 6 in. wide but up to 1 in. thick. The new mounting method, according to the manufacturer, permits attaching the heavy-duty portable vibrator to structures which previously required a permanent installation because of limited mounting space. *Cleveland Vibrator Co.*

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ADDRESS .....

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7/31/61

said his charges against the North Western and the railroad industry were "rash, unsubstantiated and intemperate."

In a letter to C&NW, Paul A. Rasmussen, chairman of the Minnesota commission, had said North Western service merited "diction and terminology that a person should not use in dictating to his secretary.

"In this day and age of modern service, to have a railroad tender such a deteriorating, inferior service is disgusting to say the least. I can safely say that since your railroad purchased the M&StL we have received hundreds of letters complaining regarding the service."

Mr. Heineman said that after he had investigated the complaints he was informed that the secretary of the Minnesota commission "produced but three letters of complaint, and knew nothing at all about the receipt of several hundred.

"Thus, what you have represented publicly as hundreds of letters turns out to be exactly three. I suggest that this degree of disparity goes well beyond innocent or excusable inaccuracy."

Air Rights to Be Used In New York, Chicago

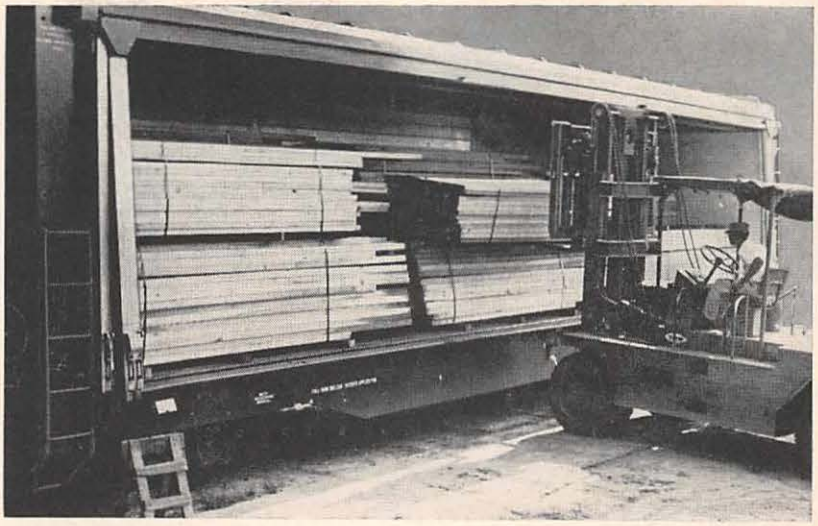
Station air rights both in New York and Chicago are figuring in a "real estate boom."

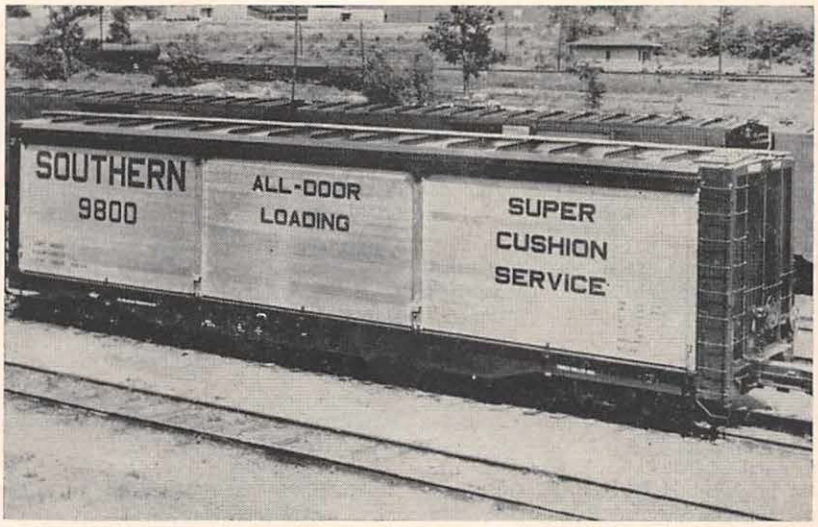
In New York, it was announced last week that half-century-old Pennsylvania Station will become the site of a nine-acre sports and entertainment center. Under the plan, which is expected to cost anywhere from $75 to $100 million, rebuilt station facilities will exist under a new 25,000-seat Madison Square Garden sports arena, a smaller 4,000-seat arena, a 28-story luxury hotel, and a 34-story commercial building.

A new company, Madison Square Garden Center, Inc., has been formed to build and operate the project. Graham-Paige Corp., an investment company which owns the present Madison Square Garden, will control 75% of the stock in the new company; the Pennsylvania Railroad, 25%.

In Chicago, New York and British interests have agreed to erect a multimillion dollar office-building complex on air rights over seven and one-half acres of Chicago Union Station property.

The Chicago Union Station Co. is jointly owned by the Pennsylvania, Burlington and the Milwaukee Road. The property involved in the air rights agreement is owned by CUS and the Pennsy.





Southern: Full-Door Box Cars

Southern has completed service tests on a new full-door box car. Result: Pullman-Standard has an order for 200 of them.

The new car is essentially one with roll-up sides. A 50-ft 6-in. "door" opening is obtained when the aluminum garage-type door is rolled into the ceiling. The car—designed to facilitate the loading and unloading of lumber, large machinery, and hard-to-handle ladings—can be loaded from either side.

"The new full-door box car was designed and built with the shipper in mind," says Southern Executive Vice President D. W. Brosnan, "for it can be loaded as easily and economically as a flat car and carry its lading safely enclosed."

The new design is based on a prototype developed by the Southern (RA, Feb. 22, 1960, p. 34; May 30, 1960, p. 16; also this issue, p. 42). Pullman-Standard and the Southern cooperated in the design of the full-door car, and the result is a car adapted for mass production. The test car (photos) was built at Bessemer, Ala.

To protect ladings from impacts the car is equipped with the P-S Hydroframe-60 cushion underframe which gives 30-in. hydraulic cushioning in either direction. It also has P-S nailable steel flooring.

"Both the Southern and Pullman-Standard view this new development as an important step in providing the railroads with another significant service to American shippers," George L. Green, vice-president, marketing, Pullman-Standard, said, "and it is a further indication of the railroads' desire to promote new and increased business."

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ACL

H. M. Emerson
ACL

George L. Cain
ACL

Daniel J. Smith
DM&IR

Lisle W. Adkins
L&N

Morgan Henika
National Carbon

PEOPLE IN THE NEWS

ATLANTIC COAST LINE.—P. J. Lee, resident vice president, Tampa, Fla., elected vice president in charge of traffic, Jacksonville, Fla., succeeding **J. M. Fields,** who retires Aug. 7. **H. M. Emerson,** treasurer, appointed assistant vice president—traffic. **George L. Cain,** senior assistant to president, elected treasurer.

Dr. Joseph C. Bunten, medical consultant and former chief surgeon, retired July 27. **Dr. Benjamin W. Rawles, Jr.,** appointed chief surgeon.

BESSEMER & LAKE ERIE.—Edward E. Van Schaick, eastern freight agent, Glen Rock, N. J., appointed assistant to manager of sales.

DULUTH, MISSABE & IRON RANGE.—Daniel J. Smith, president of the **Donora Southern, Hannibal Connecting, Lake Terminal, McKeesport Connecting, Newburgh & South Shore** and **Northampton & Bath** at Pittsburgh, Pa., elected president of the DM&IR at Duluth, Minn., effective Aug. 1, succeeding the late **Fred J. Voss** (RA, July 24, p. 7).

ERIE-LACKAWANNA.—James D. McFadden, superintendent, Kent division, Marion, Ohio, transferred to the Delaware and Susquehanna divisions, Hornell, N. Y., succeeding **Carl S. Kinback,** retired (RA, June 26, p. 66).

Thomas R. Switala appointed office engineer, Cleveland. **Douglas B. Moore,** assistant valuation engineer, retired June 30. **Raymond J. Pierce,** division engineer, Youngstown, Ohio, transferred to the Terminal division, Hoboken, N. J. Mr. Pierce also will have jurisdiction over the New York division territory, pending return of **James T. Flynn,** granted leave of absence. **James K. Weikal,** assistant division engineer, Susquehanna-Delaware division, Hornell, promoted to division engineer, Allegany-Bradford-Meadville and B&SW divisions, Salamanca, N. Y., succeeding **Walton E. Smith,** transferred to the Mahoning division, Youngstown. Mr. Weikal is succeeded by **Robert O. Walter.**

FRISCO.—L. E. Hobbs, assistant processing engineer, Springfield, Mo., appointed assistant purchasing agent there.

GREAT NORTHERN.—Allen H. Fox, engineer communications, St. Paul, Minn., retired July 1.

GULF, MOBILE & OHIO.—C. L. Hardesty named commercial agent, Atlanta, Ga., and **A. J. Engel** appointed district freight agent, Dallas.

LOUISVILLE & NASHVILLE.—Lisle W. Adkins, vice president and comptroller, General Dynamics Corp., New York, elected to the newly created post of vice president—accounting and taxation of the L&N.

MASSACHUSETTS.—Harold A. Budreau, who retired in 1960 as district sales manager, **Missouri Pacific,** Boston, Mass., has been named assistant to the supervisor of railroad service of the State of Massachusetts. Mr. Budreau will serve without pay.

MERIDIAN & BIGBEE.—J. W. Thompson, general eastern agent, New York, appointed general agent, Montgomery, Ala. **W. W. Weil,** assistant general freight agent, Louisville, Ky., named Northern traffic manager. Mr. Weil's territory will include the New York area.

MISSOURI PACIFIC-UNION RAILWAY-NATCHEZ & SOUTHERN.—R. D. Breedlove named special assistant-personnel, St. Louis.

NEW YORK CENTRAL.—Ernest C. Nickerson, vice president—executive department, New York, has resigned. In September Mr. Nickerson will join the faculty of the Cape Cod Community College, Hyannis, Mass., as dean of administration and faculty member in Business Administration. He will also devote his attention to personal business interests. The NYC's freight and passenger sales departments will be combined under **Wayne M. Hoffman,** now vice president—freight sales, who will become vice president—sales, effective Aug. 1. **R. R. Manion,** assistant vice president—operation, appointed to the newly created position of assistant to president. Mr. Manion will be responsible for coordination of inter-departmental projects and execution of special assignments for the president. **John C. Kenefick,** general manager—transportation, appointed to the new position of assistant vice president—transportation. Mr. Kenefick also will have jurisdiction over dining and sleeping car service.

READING.—William H. Krickbaum, assistant freight claim agent, appointed freight claim agent, Philadelphia, Pa., succeeding **Charles H. Diamond,** who retired July 1 after almost 50 years of service.

TEXAS & PACIFIC.—Effective June 1, the Texas Pacific-Missouri Pacific Terminal Railroad of New Orleans and the New Orleans & Lower Coast Railroad Company will be operated as the New Orleans Terminal Division of the T&P, under the jurisdiction of **W. C. Foster,** vice president-operation, T&P, Dallas, Tex.

U. S. ARMY TRANSPORTATION SCHOOL, FORT EUSTIS, VA.—Clarence E. Sperry has been retired in the grade of Colonel. Before World War II he was a railway field engineer with Detroit Controls.

Supply Trade

Morgan Henika has been named eastern division sales manager of brush and railroad products for **National Carbon Co., Division of Union Carbide Corp.,** New York. He was formerly brush and railroad products sales engineer at Erie, Pa.

General Railway Signal Co. has joined a Dutch subsidiary of **International Telephone & Telegraph Corp.** to form a new company **Algemene Sein Industrie, N. V.,** based in The Hague, to manufacture and sell railroad signal and control equipment.

Industrial Traffic

Donald M. Morewood, assistant vice president—traffic, **United States Steel Corp.,** Pittsburgh, Pa., retired June 30.

John B. Carnahan has been named assistant to vice president, Distribution Division, **H. J. Heinz Co. Grant E. Jackson,** acting manager of transportation and warehousing, has been named manager—transportation and warehousing. Mr. Carnahan recently returned to Pittsburgh after a year's study in the Executive Development Course at Massachusetts Institute of Technology.

R. A. Appleman, general traffic manager, Esso Standard Region of Humble Oil & Refining Co., has been named manager of a newly created traffic department of **Esso International Inc.,** an affiliate of Standard Oil Co. (N. J.)

Neil S. Llewellyn. senior rate analyst, Traffic department, American Viscose Corp., named general traffic manager of **Avisun Corp.,** equally-owned affiliate of American Viscose Corp. and Sun Oil Co.

OBITUARY

C. E. Huntley, 64, president of the **American Short Line Railroad Association,** died July 22 at Georgetown Hospital, Washington, D. C. Mr. Huntley, who joined the association as secretary-treasurer in 1947, had served as president since Jan. 1 of this year.

(Product reference No.—51A)

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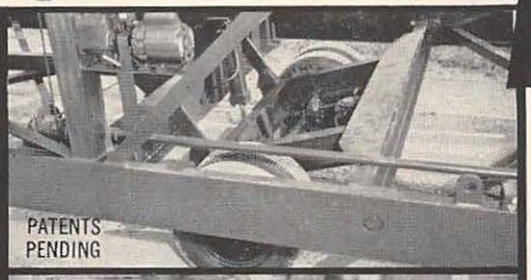

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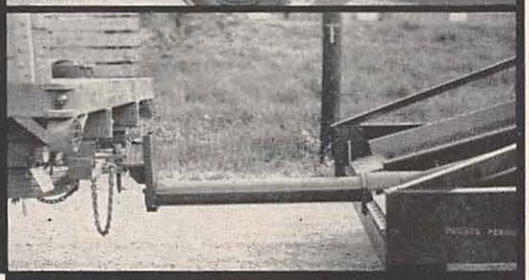

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(Product reference No.—51B)

You Ought To Know...

Real key to the railroads' future is "complete combination of services with all existing modes of transportation," ICC Chairman Everett Hutchinson told the New York Society of Security Analysts in a speech prepared for delivery July 28. He called on railroads to publish more joint rates with truckers, warning: "It may well be a question of 'publish or perish.'" Railroads can help themselves, said Mr. Hutchinson, by "casting concepts of buffalo and Indian days" out of their thinking and doing a better job for the shipper's dollar.

Cargo service between Atlantic coast ports and the Great Lakes via the St. Lawrence Seaway has been authorized by the ICC. The Commission, in approving the application of Moran Towing & Transportation Co. to launch such a service, overruled an examiner's adverse recommendation. Seven other applications for similar service were denied.

Rail TOFC rates on a parity with sea-land rates have been upheld by the ICC in a case involving piggybacking of books between Camden, N.J. and Dallas, Tex. The decision, from which five commissioners dissented, reversed an examiner's recommendation. In other cases, rate differentials in favor of sea-land carriers have been prescribed.

ORT's threatened strike against SP has been sidetracked by appointment of a presidential emergency board. The Telegraphers are pressing a 1958 job stabilization demand and asking that SP restore all telegrapher positions existing April 18, 1958, plus union agreement to future force reductions. The U. S. Supreme Court, in the Chicago & North Western case, held that such demands are bargainable under the Railway Labor Act (RA, April 25, 1960, p. 9).

Piggyback shifted "over a million truck movements" from highways to railroads last year, AAR President Daniel P. Loomis told the Inter-American Industries Conference at Chicago July 26. Mr. Loomis listed TOFC as one of a number of self-help moves instituted by railroads, but said the industry still finds itself at a competitive disadvantage—caught in a money crisis that stems directly from discriminatory government taxation, regulation and subsidy policies.

First revenue cars were humped recently at Canadian Pacific's new $17-million automatic retarder classification yard at Agincourt, Ont., 13 miles east of Toronto on the Montreal line. The yard, capable of handling 3,000 cars daily, is not expected to be in full operation until 1964.

Reduced rail rates on livestock feed and hay moving to drought disaster areas in seven states have been authorized by the ICC. Areas covered include all of North Dakota and portions of Idaho, Michigan, Minnesota, Montana, Nevada and South Dakota.

Canadian railways are also prepared to offer reduced rates to aid drought-stricken farmers in western Canada. According to a joint statement of CN Vice President, Sales A. H. Hart and CPR Vice President, Traffic J. M. Roberts, the maximum reduction in freight rate applicable to any movement is $10 a ton, with $100,000 the limit each railway has set as the total assistance it will be able to provide.

The NYC elevated mainline through Syracuse, N. Y., will be abandoned to provide right-of-way for a state highway. Salvage value of the abandoned line is $5 million and the State of New York will pay Central $7 million for the acquired land. ICC has approved the abandonment. A new passenger station and facilities will be provided at East Syracuse, costing about $2¼ million, including reverse signaling on an existing double-track line that bypasses the city and which will be used by passenger as well as freight trains.

Pacific Northern Railway project will begin with clearing of 100 miles of right-of-way in British Columbia. This move is being made as a result of the provincial government's recent demand that work begin or the franchise will be revoked. The PNR is a proposed 761-mile line from a point near Prince George, north to the Yukon border (RA, June 12, p. 44).

The Presidential Railroad Commission continued to hear union evidence last week on the need for firemen on diesel locomotives. Howard M. Vawter, who said he has been in engine service on the Southern Pacific since 1955, told the commission that firemen can "detect many malfunctions including leaks in the fuel, oil, water and exhaust systems" and "defects in the electrical equipment"—many of which, he said, show up only when the locomotive is under load.

Less paperwork for railroads will be the effect of an ICC decision, announced last week, to convert two operating reports now filed monthly to a quarterly basis. The reports are Form R&E, Revenues and Expenses, and Form IBC, Selected Income and Balance-Sheet Items. The change becomes effective with reports for first quarter 1962. New report forms will be issued late this year.

The serviceable-car fleet of Class I roads totaled 1,485,802 units on July 1, compared with 1,535,903 units a year ago, reports the AAR's Car Service Division. Awaiting repairs on July 1 were 151,901 cars; the year-ago figure was 137,924.

A fire, believed set by two youths, roared through a timber-lined Northwestern Pacific tunnel at San Rafael, Calif., causing damages estimated at $500,000. Cave-ins, triggered by the fire, killed one fireman and swallowed up part of an apartment building.

Texas Short Line Railway has been authorized by the ICC to abandon all operations. The 11-mile Van Zandt County, Tex., line has been losing more than $50,000 a year.

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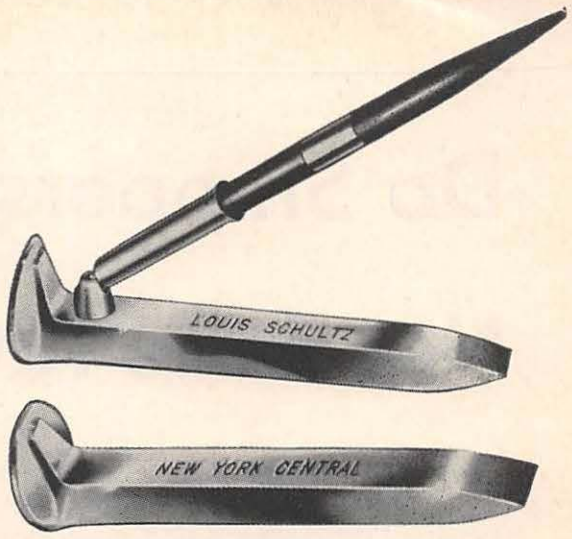

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Robert W. McKnight, Editor
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Do Shippers Need the ICC?

Regulation of railroads is no longer adequately performing its primary function of protecting the interests of the purchasers of transportation service. Regulation was designed, originally, to safeguard the public from monopolistic and discriminatory practices. It has degenerated, instead, into a device which, too often, serves merely to prevent railroads from competing effectively with other modes.

How much longer are industrial traffic managers going to maintain respectful acquiescence in these conditions, which are as injurious to them as they are to the railroads?

The ICC's purpose has seemed to be to shelter all kinds of regulated transportation from the rigors of competition. Its imperfect success in making this program work lies in the fact that two-thirds of truck transportation and 90% of inland waterway transportation are not touched by regulation. So, when the ICC puts restraints on the regulated carriers to prevent their competing too robustly, the effect is to restrict 100% of the railroads, but only one-third of the trucks and only a minute fraction of the inland waterway carriers.

It is politically difficult, if not impossible, to restrict do-it-yourself truck transportation. The inland waterway carriers have done a most skillful job of propaganda in convincing the ICC's Division 2 (and perhaps, also, the Commerce Department) that the railroads must be required to maintain their rates at a higher level than water carriers (coastwise especially). Consequently, more and more people are coming around to the opinion that the only practicable way of saving the railroads from ruin is to repeal the Interstate Commerce Act and abolish the ICC.

After all, it is argued, there are a lot fewer competitors in many big businesses—steel, chemicals, oil, automobiles—than in transportation. The only regulation to which these other big industries are subjected is that of the anti-trust laws, as applied by the courts. Why should not this limited degree of regulation serve adequately also in transportation?

The idea is plausible—and we wish it were practicable, but we doubt that it is. Westinghouse and General Electric can do business effectively without consultation with each other. Likewise with Ford and General Motors. But, to maintain a national system of transportation, with cars moving freely from one railroad to another, railroads cannot do business without cooperation and consultation. And almost any consultation they might do—in the direction of necessary cooperation—would run the risk of violation of the anti-trust laws, except for the partial immunity that the Interstate Commerce Act confers on regulated carriers.

If the railroads were to strive to carry on their interline services freed of the restrictions of the Interstate Commerce Act, but subjected to the full application of the anti-trust laws, would their situation be improved or not? There are able lawyers who believe they would then enter upon a prolonged period of ruinously expensive litigation; and that it would take years for the courts to develop workable principles which would allow the railroads to collaborate effectively to provide the nation-wide system of transportation which they now offer under the Interstate Commerce Act.

What shippers need today from transportation regulation is preservation of the right of carriers to compete, on a basis of complete equality. Shippers no longer need the existing elaborate restraints on for-hire carriers' pricing practices—in an era of unlimited ability of almost all producers to engage in private transportation.

NEEDED: A LAW FOR 1961, NOT 1910

The solution to the problem seems to call for a thorough job of pruning down the Interstate Commerce Act to actual present-day necessities (which are entirely different from those of the days of railroad monopoly). The Interstate Commerce Act should be gone through with a heavy blue pencil—with no sentence or phrase remaining in it, which does not have positive present need to justify it.

By proceeding thus, we would (1) get rid of those parts of the law which serve no present-day useful purpose and are actively harmful; (2) avoid the danger of subjecting transportation to the full rigors of the anti-trust laws.

To begin the job of modernizing the Interstate Commerce Act, we would define "just and reasonable" rates and practices to include any that are necessary to meet competition from other forms of transportation. We would repeal Sec. 4, and revise Sec. 15 a(3) to eliminate the clause, "giving due consideration to the objectives of the national transportation policy." We would give the ICC the authority and duty to collect and publish statistical reports from all kinds of transportation, equivalent to those now required of the railroads. We would remove from the Act all restrictions against provision by one mode of transportation of service by other modes. And we would limit to 90 days the ICC's authority to suspend rates.

This is just a beginning. Part I of the Act, instead of comprising 115 printed pages, should be trimmed down to a dozen pages—not just by compressing the wording, but by eliminating non-essentials. Have our readers (shippers especially) any suggestions?

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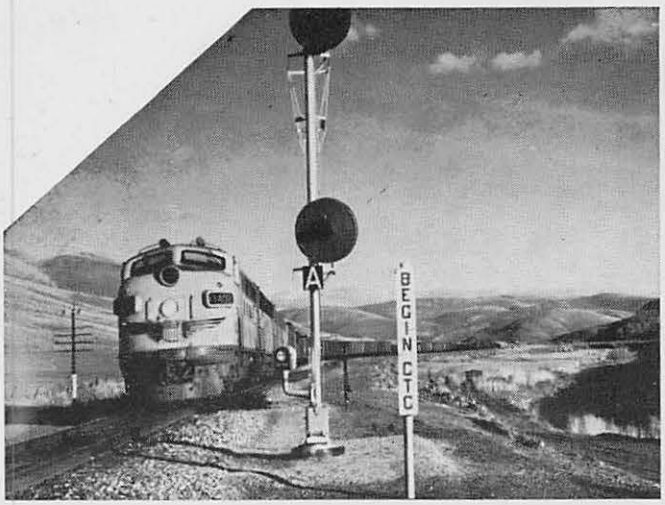

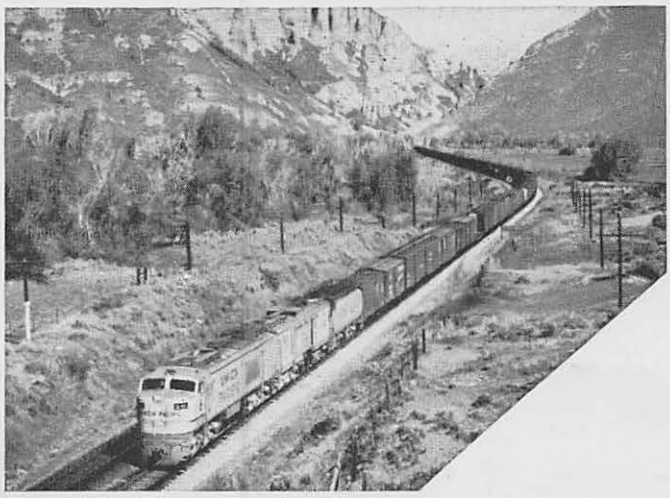

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